Corporation of The City of Chatham, Ontario

ANNUAL REPORT AND MUNICIPAL DIRECTORY

Year Ended December 31, 1986

SIXTY-FIFTH YEAR

COUNCIL-MANAGER GOVERNMENT

1986 ANNUAL REPORT AND 1987 MUNICIPAL DIRECTORY

OF

THE CITY OF CHATHAM, ONTARIO

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MUNICIPAL DIRECTORY

COUNCIL 1987

William K. Erickson, Mayor

Alderman Douglas Arbour

Alderman Mary Lee

Alderman Larry O'Rourke

Alderman William Terry

Alderman Melvin Crew

Alderman Paul Nixon

Alderman Douglas Sulman

Hugh J. Thomas, P. Eng.
City Manager

WATER COMMISSION 1987

David McGeorge
Commissioner

Mayor William K. Erickson

John McKay
Commissioner

Douglas Pierce
Manager

David Hills, Administrative Officer

PUBLIC UTILITIES 1987

Ralph Barry
Chairman

Mayor William K. Erickson

James Sutherland
General Mgr./Secretary

James Allison

CITY BOARDS CONSTITUTED BY STATUTORY PROVISIONS OR OF MEMBERS APPROVED BY CITY COUNCIL

BOARD OF POLICE COMMISSION 1987

Alderman Douglas Sulman Chairman	Dianne Roelofs Secretary
Mayor William K. Erickson	Dennis Asher
Mrs. Virginia McGeorge	Robert Myers

PUBLIC LIBRARY BOARD 1987

Allan Livingstone Chairman	Randell R. Carey Vice-Chairman	Miss Lynne Brown Secretary-Treas.
Proctor A. Dick	Laurie Edinboro	Jim Gilbert
Don Halpert	Alderman Mary Lee	Mrs. Maureen Myers
Mrs. Peggy Peifer		

CHATHAM-KENT MUSEUM BOARD 1987

Robert Whitehall Chairman	H. Glenn Mitton Vice-Chairman
Mrs. Shirley Doyle Secretary	H.B. Wressell Property Management
Mrs. Mary Creasey Curator	Joe Martin
Derry McKeever	Alderman William Terry

CULTURE & RECREATION COMMITTEE

Alderman Melvin Crew Chairman	Alderman Paul Nixon Vice-Chairman	Paul Brown
Horace Chase	Floyd Fennema	Mrs. Anne Gilbert
Alderman Mary Lee	Gord Marvel	John McCurran
Mike Ternovan	Mrs. Audrey Turner	

PLANNING (COUNCIL AS A WHOLE SPECIAL MEETING OF COUNCIL)

Mayor Bill Erickson Chairman	Alderman Douglas Arbour
Alderman Melvin Crew	Alderman Mary Lee
Alderman Paul Nixon	Alderman Larry O'Rourke
Alderman Douglas Sulman	Alderman William Terry

PLANNING ADVISORY COMMITTE

Marc Armstrong	John Compton
Jay Ertel	Stan Wild

COUNCIL COMMITTEE OF THE WHOLE

Alderman William Terry
Chairman

Mayor William K. Erickson

Alderman Douglas Arbour

Alderman Melvin Crew

Alderman Mary Lee

Alderman Paul Nixon

Alderman Larry O'Rourke

Alderman Douglas Sulman

KENT-CHATHAM HEALTH UNIT 1987

Mayor William K. Erickson

Alderman William Terry

COMMITTES 1987

COMMITTEE OF ADJUSTMENT

Fred Fletcher
Chairman

Thomas Peseski
Vice-Chairman

Mrs. Marilee Asher

Alex Kehoe

Frank Pranovi

Tony Ondrovcik

SUBURBAN ROADS COMMISSION 1987

Robert Tyndall

COUNCIL'S REPRESENTATIVE 1987 TO THE CHILDREN'S AID SOCIETY

Alderman Mary Lee

LOWER THAMES VALLEY CONSERVATION AUTHORITY (PLEASURE OF COUNCIL)

Mayor William K. Erickson

Alderman Douglas Arbour

ST. CLAIR PARKWAY COMMISSION

Alderman Larry O'Rourke

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

Alderman Larry O'Rourke
Acting Chairman

Alderman Douglas Arbour

Carl Benninger

Clark Ferguson

Alderman Mary Lee

Ronald Moon

Ken Nichols

Alderman Paul Nixon

Charles Seaman

Glenn Smith

Henk Van Giessen

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE	
SENIOR COMMITTEE	Larry Clement
	Mike McGregor
	W. Darcy McKeough
	Robert Stachlewitz
BOARD OF MANAGEMENT FOR THE CHATHAM ON THAMES DEVELOPMENT AREA	R. James Mullaly Chairman
	Thomas McIlmoyle Vice-Chairman
	Mrs. Jeanne Baker
	Charles P. Burnham
	Robert Galloway
	Robert King
	Alderman Paul Nixon
	James Walker
LOCAL IMPROVEMENT COURT OF REVISION	Gordon Chrysler
	William M. Coltart
	Glenn Smith
LOCAL ARCHITECTURAL CONSERVATION ADVISORY COMMITTEE	Miss Mary Angela Tucker Chairperson
	Rupert Bedford
	Mrs. Lisa Gilbert
	Douglas Hanley
	Dennis Makowestsky
	Jake Mieras
	Bert Osterbrook
	Mrs. Anne Reaume
	Alderman Douglas Sulman
	Mrs. Colleen Warrener
PROPERTY STANDARDS COMMITTEE	Alfred Creed
	Lloyd D. Groombridge
	Nelson S. Harwood
COUNTY WASTE MANAGEMENT COMMITTEE	Mayor William K. Erickson
	Alderman Douglas Arbour

CITY/COUNCIL LIASON COMMITTEE	Mayor William K. Erickson
	Alderman Douglas Arbour
	Alderman Paul Nixon
	Alderman William Terry
VICTORIA RESIDENCE MANAGEMENT COMMITTEE	Alderman William Terry Chairman
	Alderman Douglas Arbour
	Alderman Melvin Crew
	Alderman Mary Lee
THAMES CAMPUS RECREATION COMPLEX	Alderman Larry O'Rourke
AIRPORT COMMITTEE	Alderman Paul Nixon Chairman
	Alderman Melvin Crew
	Alderman Larry O'Rourke
KENT-CHATHAM TOURISM BUREAU COMMITTEE	Mayor William K. Erickson
	John Bradley
	Reg DeNure
	Clarkson Smith
	Alderman Douglas Sulman
CHAMBER OF COMMERCE TOURISM COMMITTEE	Mayor William K. Erickson
	Alderman Douglas Sulman
COMMUNITY FUTURES	Mayor William K. Erickson
	Ken Nichols
	Henk Van Giessen
TRAFFIC COMMITTEE	Alderman Melvin Crew Chairman
	Alderman Douglas Arbour
	Alderman William Terry
DISTRICT HEALTH COUNCIL	Mrs. Donna Johnson

ASSESSMENT STATISTICS

STATEMENT OF ASSESSMENT VALUATIONS

FOR 1987 MADE IN THE YEAR 1986

	Residential and Farm	Industrial and Commercial	Business	Total Taxable Assessment
Public School Support	40,251,825	27,585,261	12,237,655	80,074,741
Separate School Support	15,348,879	1,919,460	670,740	17,939,079
Taxable Assessment	55,600,704	29,504,721	12,908,395	98,013,820

Assessment for grants in lieu	2,524,247	
Exempt Assessment	14,057,836	
Exempt Assessment	16,582,083	
TOTAL ASSESSMENT		114,595,903

STATISTICAL INFORMATION

Year	Mayor	Population	Taxable Assessment Cents Omitted	Mill Rate	Tax Levy	Percentage of Tax Levy Collected to Dec. 31	Net Long-Term Liabilities Dec. 31 Inclusive Assumed Debts. and OMBC Agreement and Sinking Fund	Per Capita Debt	Building Permits
1900	T.A. Smith	8,777	3,603,695.	25.	104,335.		584,609.	66.60	
1905	George U. Cowan	9,629	4,510,188.	22.	129,478.		858,605.	89.17	
1910	Charles Austin	10,317	5,182,688.	27.25	187,547.		1,025,220.	99.37	
1915	Edmund Wanless	12,650	7,667,089.	26.	256,744.		945,973.	74.78	
1920	Fred H. Brisco	15,182	12,534,111.	31.	442,454.	81.0	1,210,516.	79.73	
1925	C.D. Sulman	15,094	13,306,391.	31.	491,463.	70.0	1,248,865.	80.57	
1930	Burton L. Bedford	16,434	12,987,025.	35.	575,982.	74.9	864,235.	54.01	
1935	Isaac L. Davis	16,313	14,431,109.	34.	525,668.	74.0	783,177.	48.00	
1940	U.C. Hubbell	16,958	14,545,791.	35.	527,080.	85.0	591,378.	34.87	492,208.
1941	U.C. Hubbell	17,207	14,564,854.	34.	505,502.	86.9	524,627.	30.49	
1942	U.C. Hubbell	17,985	14,823,852.	34.50	520,921.	88.3	473,645.	26.34	
1943	C. Lorne Goddard	17,425	15,171,479.	34.	525,178.	91.4	413,976.	23.76	
1944	C. Lorne Goddard	18,057	15,395,357.	34.	534,180.	93.3	358,929.	19.88	
1945	Ralph D. Steele	18,061	15,572,446.	33.	526,834.	94.4	320,281.	17.73	1,019,219.
1946	Ralph D. Steele	18,684	16,092,584.	38.	635,734.	94.3	280,187.	15.00	3,636,859.
1947	Ralph D. Steele	19,315	16,702,789.	43.	759,093.	93.7	228,477.	11.83	1,227,590
1948	Ralph D. Steele	20,263	19,783,081.	44.75	922,437.	94.4	890,624.	43.95	2,772,096
1949	Ralph D. Steele	20,709	21,207,403.	46.	1,016,223.	94.9	1,249,554.	60.33	2,218,295.
1950	U.G. Kerr	21,223	22,091,753.	48.	1,122,770.	94.8	1,832,273.	86.33	3,827,248
1951	Wm. A. Donovan	21,473	23,052,091.	51.25	1,296,906.	93.8	2,130,056.	99.19	2,064,589.
1952	Wm. A. Donovan	21,682	25,558,575.	55.1	1,489,855.	95.2	2,106,783.	97.16	2,260,804.
1953	Wm. A. Donovan	22,274	34,314,233.	41.	1,438,849.	95.2	2,775,537.	124.61	2,159,813.
1954	Wm. A. Donovan	22,721	35,130,557.	43.	1,553,983.	95.4	2,860,243.	125.88	3,152,750.
1955	A.E. Stirling	22,973	35,605,864.	46.	1,708,611.	94.5	3,359,935.	146.26	4,443,384.
1956	A.E. Stirling	22,658	37,521,599.	54.	2,101,448.	94.8	3,934,046.	173.63	2,355,649.
1957	A.E. Stirling	22,311	38,397,750. P.R. 54.0 S.R. 62.0 P.C. 59.2 S.C. 67.2		2,302,967.	95.3	4,330,240.	194.09	2,254,417.
1958	Garnet R. Beukirk	22,352	39,265,857. P.R. 57.0 S.R. 60.0 P.C. 62.0 S.C. 65.0		2,517,039.	95.6	4,855,982.	217.25	2,740,011.
1959	Garnet R. Beukirk	28,591	45,123,677. P.R. 60.0 S.R. 61.0 P.C. 65.2 S.C. 66.2		3,062,957.	94.7	5,482,817.	191.77	4,850,367.
1960	Garnet R. Beukirk	29,401	47,839,880. P.R. 63.0 S.R. 63.0 P.C. 67.2 S.C. 67.2		3,312,596.	94.6	5,760,000.	195.91	4,213,734.

STATISTICAL INFORMATION (Continued)

Year	Mayor	Population	Taxable Assessment Cents Omitted	Mill Rate	Tax Levy	Percentage of Tax Levy Collected to Dec. 31	Net Long Term Liabilities Dec.31 Inclusive Assumed Debts. and OWRC Agreement and Sinking Fund	Per Capita Debt.	Building Permits
1961	Garnet R. Newkirk	29,476	48,921,820	66. 70.6	3,595,016	94.5	5,626,802	190.86	5,047,279
1962	Garnet R. Newkirk	29,852	49,743,840	63. 69.	3,590,989	94.8	5,126,570	171.73	5,073,466
1963	Garnet R. Newkirk	30,261	50,618,910	68. 76.	3,954,729	94.7	5,106,068	168.73	5,585,036
1964	Metro Sass	30,712	51,287,555	69. 77.	4,088,368	94.7	4,788,108	155.90	5,572,570
1965	Garnet R. Newkirk	31,089	52,759,385	73. 81.	4,429,201	95.1	6,349,326	207.12	10,851,530
1966	Garnet R. Newkirk	31,724	54,179,790	75. 83.	4,745,836	95.3	7,761,777	244.67	11,770,547
1967	Garnet R. Newkirk	32,027	58,977,030	83. 93.	5,547,742	95.7	9,066,396	283.08	5,517,125
1968	Garnet R. Newkirk	32,650	60,316,000	88. 99.	5,812,230	95.9	8,991,707	275.40	6,885,320
1969	Garnet R. Newkirk	33,142	61,467,340	98. 109.	6,467,142	96.1	6,852,368(1)	206.76(1)	8,872,045
1970	Garnet R. Newkirk	33,607	63,821,715	P.101.552 P.112.560 S.100.699 S.111.612	6,974,280	94.8	8,416,535	250.44	7,001,075
1971	Douglas G. Allin	34,004	66,417,385	P. 95.688 P.105.159 S. 97.649 S.107.349	6,582,063	94.0	7,981,490	234.72	6,959,335
1972	Douglas G. Allin	34,430	67,384,095	P. 90.466 P.100.916 S. 94.227 S.105.096	7,038,331	95.0	8,017,692	232.87	17,413,900
1973	Douglas G. Allin	35,364	67,769,085	P. 83.584 P. 96.365 S. 83.512 S. 96.285	7,086,218	95.0	8,633,761	244.14	19,771,920
1974	Douglas G. Allin	36,610	67,769,085	P. 88.504 P.102.791 S. 87.512 S.101.689	7,086,218	96.7	8,126,096	221.96	14,329,225
1975	Douglas G. Allin	37,803	70,749,680	P.104.459 P.120.414 S.101.367 S.116.980	7,803,176	95.5	8,775,141	232.13	20,439,927
1976	Douglas G. Allin	38,158	74,459,165	P.117.216 P.134.791 S.115.517 S.132.904	9,327,651	95.5	10,629,473	278.56	24,945,543
1977	Curtis G. Carter	39,116	76,947,800	P.131.041 P.150.777 S.130.991 S.150.722	9,863,741	95.2	11,430,807	292.23	20,686,014
1978	Curtis G. Carter	39,960	78,789,785	P.136.153 P.156.458 S.136.277 S.156.596	10,990,515	93.03	12,369,208	309.54	25,759,768
1979	Curtis G. Carter	40,928	81,987,635	P.142.643 P.163.865 S.144.097 S.165.480	11,868,086	93.92	15,999,359	390.91	25,215,045
1980	Curtis G. Carter	40,696	86,044,085	P.149.034 P.175.333 S.149.176 S.175.501	14,241,840	94.15	19,868,590 (2)	488.22(2)	12,079,626
1981	Curtis G. Carter	40,256	88,649,205	P.166.774 P.196.204 S.166.884 S.196.334	15,252,311	93.17	23,840,180 (3)	592.21(3)	25,171,443
1982	Margaret N. Archibald	40,454	90,812,028	P.180.317 P.212.136 S.179.237 S.210.867	17,946,790	92.64	25,358,509 (4)	626.85(4)	11,932,320
1983	Margaret N. Archibald	41,019	93,417,325	P.191.237 P.224.984 S.192.433 S.226.392	19,613,287	93.42	25,786,088 (5)	628.64(5)	9,678,213

STATISTICAL INFORMATION (Continued)

Year	Mayor	Population	Taxable Assessment Cents Omitted	Mill Rate		Tax Levy	Percentage of Tax Levy Collected to Dec. 31	Net Long Term Liabilities Dec.31 Incl. Assumed Debts & OWRC Agreement & Sinking Fund	Per Capita Debt.	Building Permits
1984	Margaret N. Archibald	41,019	93,917,006	P.206.986 S.207.209	P.243.512 S.243.775	21,302,496	96.35	23,571,871(6)	574.00(6)	17,156,690
1985	William K. Erickson	41,586	94,758,309	P.219.564 S.220.033	P.258.311 S.258.862	22,811,420	96.22	23,617,312(7)	567.91(7)	26,341,551
1986	William K. Erickson	41,586	96,090,022	P.232.771 S.233.120	P.273.848 S.274.259	24,519,206	96.81	23,026,271(8)	553.70(8)	29,296,070

(1) Liability for schools transferred to Kent County Board of Education
(2) Includes $4,420,000 interest free loan from Ontario Downtown Revitalization Program
(3) Includes $6,020,910 interest free loan from Ontario Downtown Revitalization Program
(4) Includes $7,733,333 interest free loan from Ontario Downtown Revitalization Program
(5) Includes $7,496,737 interest free loan from Ontario Downtown Revitalization Program
(6) Includes $7,248,270 interest free loan from Ontario Downtown Revitalization Program
(7) Includes $6,992,216 interest free loan from Ontario Downtown Revitalization Program
(8) Includes $6,710,132 interest free loan from Ontario Downtown Revitalization Program.

LIST OF INSURANCE POLICIES OF THE CITY OF CHATHAM
IN EFFECT - DECEMBER 31, 1986

POLICY NO.	COMPANY	CLASS OF INSURANCE	LOCATION OR REMARKS	AGENTS
M99-11779	The General Accident Assurance Company of Canada	Municipality Liability	Streets, Parks and Buildings	Smalley, Brisco & Thompson Limited
4573350	The General Accident Assurance Company of Canada	Auto	Fleet	Smalley, Brisco & Thompson Limited
M88-79556	The General Accident Assurance Company of Canada	Non-Owner	Non-Owner Vehicle	Smalley, Brisco & Thompson Limited
CL834250R	British Aviation Insurance Co.	Public Liability of Property Damage	Airport	Smalley, Briso & Thompson Limited
CL823186	The Guarantee Company of North America	Fidelity Bond Burglary	All City Departments	Smalley, Brisco & Thompson Limited
32-94758	The General Accident Assurance Company of Canada	Employee Bond & Burglary	All City Departments	Smalley, Brisco & Thompson Limited
67F-13596	The General Accident Assurance Company of Canada	Council Accident	Mayor & Council	Smalley, Brisco & Thompson Limited
BM12556	The Guarantee Company of North America	Boilers & Machinery	All City Departments	Smalley, Brisco & Thompson Limited
G-1810	Canada Life Assurance Co.	Disability Pensioners	All City Departments	Canada Life
FC-17277	Various Companies	Fire	Various Locations	Smalley, Brisco & Thompson Limited
GP12399	Mutual Life Assurance of Canada	Long Term Disabililty	All City Departments	Mutual Life Assurance of Canada

LIST OF INSURANCE POLICIES OF THE CITY OF CHATHAM
IN EFFECT - DECEMBER 31, 1986

POLICY	COMPANY	CLASS OF INSURANCE	LOCATION OR REMARKS	AGENTS
MEO-13844	The General Accident Assurance Company of Canada	Errors and Omissions		Smalley, Brisco & Thompson Limited
16896-97	Confederation Life	Group Life and Health	All City Departments	Confederation Life
FC-15240	Various Companies	Fine Arts	Cultural Centre	Smalley, Brisco & Thompson Limited
C166554	The General Accident Assurance Company of Canada	Legal Expense	Mayor & Council	Smalley, Brisco & Thompson Limited
E2099	The Guarantee Company of North America	Excess Liability Policy	All City Departments	Smalley, Brisco & Thompson Limited
6525517	Commercial Union Assurance	Data Processing	All City Departments	Smalley, Brisco & Thompson Limited
EP 35784	Various companies	Environmental Liability		Smalley, Brisco & Thompson Limited
10572	The General Accident Assurance Company of Canada	Excess Liability	All City Departments	Smalley, Brisco & Thompson Limited

THE CORPORATION OF THE CITY OF CHATHAM

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

AUDITED CONSOLDIATED FINANCIAL STATEMENTS

Auditors' Report

Consolidated Balance Sheet

Consolidated Statement of Operations

Notes to the Consolidated Financial Statements

AUDITED TRUST FUND FINANCIAL STATEMENTS

Auditors' Report

Trust Funds
Statement of Continuity

Balance Sheet

Note to Trust Funds Financial Statements

OTHER FINANCIAL INFORMATION

Auditors' Report on Other Financial Information

Analysis of Assets and Liabilities

Analysis of Operations

Analysis of Capital Operations

Analysis of Reserves and Reserve Funds

Thorne Ernst & Whinney
Chartered Accountants

48 Fifth Street, Suite 401
Waymur Building
Box 1060
Chatham, Ontario, Canada
N7M 5L6

(519) 352-0550

AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of the Corporation of
the City of Chatham

We have examined the consolidated balance sheet of the Corporation of the City of Chatham as at December 31, 1986 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Chatham as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

April 12, 1987

Licence Number 1086

THE CORPORATION OF THE CITY OF CHATHAM

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1986

	1986	1985
ASSETS		
Unrestricted		
Cash	$ 612,117	$ 836,683
Taxes receivable	1,279,421	1,316,583
Accounts receivable	1,677,184	1,509,673
Other current assets	182,230	397,084
	3,750,952	4,060,023
Restricted		
Cash and term deposits	353,773	298,327
Accounts receivable	38,437	1,741
	392,210	300,068
Capital outlay financed by long term liabilities and to be recovered in future years	20,415,271	22,525,312
	$24,558,433	$26,885,403
LIABILITIES		
Current liabilities		
Temporary loans	$ 1,261,558	$ 56,997
Accounts payable and accrued liabilities	2,028,062	2,184,516
Other current liabilities	797,872	314,015
	4,087,492	2,555,528
Net long term liabilities (note 3)	20,415,271	22,525,312
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges in subsequent year (note 4)	443,339	504,082
Capital operations not yet permanently financed	(1,745,118)	(257,203)
	(1,301,779)	246,879
Reserves (note 5)	993,181	1,272,703
Reserve funds (note 5)	364,268	284,981
	55,670	1,804,563
	$24,558,433	$26,885,403

Past service pension (note 6)
Vested sick leave (note 7)

"The notes to the financial statements are an integral part of this financial statement."

THE CORPORATION OF THE CITY OF CHATHAM

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986	1985
SOURCES OF FINANCING:		
Taxation and user charges		
Residential and farm taxation	$13,083,725	$12,136,153
Commercial, industrial and business taxation	12,624,943	11,695,281
Payments in lieu of taxes from other governments	637,666	594,112
User charges	3,998,955	3,788,233
	30,345,289	28,213,779
Grants		
Government of Canada	249,298	178,736
Province of Ontario	9,745,182	9,481,301
	9,994,480	9,660,037
Other		
Investment income	383,834	399,518
Penalties and interest on taxes	211,642	240,626
Contributions from landowners and developers	149,078	119,278
Sale of land and equipment	14,556	34,266
Other	20,827	24,075
	779,937	817,763
	41,119,706	38,691,579
Deduct amounts received or receivable for School Boards (note 8)	10,531,250	9,859,958
	30,588,456	28,831,621
Proceeds from the issue of long term liabilities	385,883	2,324,000
Net appropriations from reserves and reserve funds	200,235	
	31,174,574	31,155,621
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR (note 4)		
To be used to offset taxation or user charges	504,082	839,239
Capital operations not yet financed	(257,203)	(2,286,223)
TOTAL FINANCING AVAILABLE DURING THE YEAR	$31,421,453	$29,708,637

"The notes to the financial statements are an integral part of this financial statement."

	1986	1985
APPLIED TO:		
Current Operations:		
General government	$ 2,606,954	$ 2,666,819
Protection to persons and property	6,878,076	6,540,986
Transportation services	6,164,186	5,980,021
Environmental services	3,642,438	3,359,622
Health services	313,588	360,527
Social and family services	4,291,812	3,578,961
Recreation and cultural services	3,368,950	3,236,850
Planning and development	1,671,510	1,583,454
	28,937,514	27,307,240
Capital		
General government	89,570	45,733
Protection to persons and property	302,436	75,543
Transportaton services	1,654,318	788,035
Environmental services	985,457	682,947
Health services	7,650	14,173
Social and family services	41,577	13,467
Recreation and cultural services	300,339	265,780
Planning and development	404,371	91,098
	3,785,718	1,976,776
Net appropriations to reserves and reserve funds		177,742
	32,723,232	29,461,758
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR (note 4)		
To be used to offset taxation or user charges	443,339	504,082
Capital operations not yet financed	(1,745,118)	(257,203)
TOTAL APPLICATIONS DURING THE YEAR	$31,421,453	$29,708,637

"The notes to the financial statements are an integral part of this financial statement."

THE CORPORATION OF THE CITY OF CHATHAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the City of Chatham are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) (i) Basis of Consolidation

These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following local boards:

Chatham Public Library
Chatham-Kent Museum
Chatham Horticultural Society
Chatham Kiltie Concert Band

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenditure.

(ii) Non-consolidated Entities

The following municipal enterprise and utility are not consolidated:

Board of Water Commissioners of the City of Chatham
The Chatham Hydro Electric System

(iii) Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies) are reported on the "Consolidated Balance Sheet" as "Other current liabilities (other current assets)".

(iv) Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity" and "Balance Sheet".

THE CORPORATION OF THE CITY OF CHATHAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES (continued)

(a) (v) Long Term Liabilities

The charges for long term liabilities assumed by non-consolidated entities or by individuals in the case of tile drainage and shoreline property assistance loans are not reflected in the financial statements.

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities, which are charged against operations in the periods in which they are paid.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Fixed assets are reported as an expenditure on the "Consolidated Statement of Operations" in the year of acquisition.

(iv) "Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet".

2. INVESTMENTS

There are no investments.

THE CORPORATION OF THE CITY OF CHATHAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 1986

3. NET LONG TERM LIABILITIES

(a) The balance of net long term liabilities reported on the "Consolidated Balance Sheet" is made up of the following:

	1986	1985
Total long term liabilities incurred by the municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	$24,432,536	$24,862,094
Of the long term liabilities shown above, the responsibility for payment of certain principal and interest charges has been assumed by unconsolidated local boards, municipal enterprises, utilities and other municipalities. At the end of the year, the outstanding principal amount of this liability is	(2,611,000)	(1,092,000)
The total value of sinking funds and the balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long term liabilities included above, amount to	(1,406,265)	(1,244,782)
Net long term liabilities at the end of the year	$20,415,271	$22,525,312

(b) Principal due on total long term liabilities reported in (a) of this note, is summarized as follows:

	1987 to 1991	1992 to 1996	1997 and thereafter
From general municipal revenues	$ 5,776,338	$ 3,674,661	$ 1,806,046
From benefitting landowners	3,072,915	781,444	
From unconsolidated municipal enterprises	1,706,500	904,500	
	$10,555,753	$ 5,360,605	$ 1,806,046

THE CORPORATION OF THE CITY OF CHATHAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 1986

3. NET LONG TERM LIABILITIES (continued)

(b) In addition, principal payments to the Ministry of Municipal Affairs, which are derived totally from revenues generated by the Chatham Downtown Mall, are made quarterly, calculated for the most part as follows:

i) two-thirds of the City's share of lease income
ii) one-third of the tax increment of the Redevelopment area.

The principal outstanding amounted to $6,710,132 at year end (1985, $6,992,216). Quarterly instalments continue until 110% of the original loan of $7,733,333, has been repaid.

(c) Included in net long term liabilities is an amount of $254,567 (1985, $416,049) due to the Ontario Ministry of the Environment for construction of a sewage disposal plant. The City will not receive clear title to this asset until the debt has been retired.

(d) The municipality's share of net long term liabilities of the Kent County Board of Education and the Kent County Roman Catholic Separate School Board, based on the sharing ratio effective for 1986, is approximately $186,898 (1985, $952,589). This will be recovered from the ratepayers in future years by education levy. No provision has been made for this liability.

(e) Approval of the Ontario Municipal Board has been obtained for the long term liabilities in (a) issued in the name of the municipality.

4. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

(a) The balances on the "Consolidated Statement of Operations" of municipal equity of $443,339 (1985, $504,082) at the end of the year are comprised of the following:

	1986	1985
For general reduction of taxation	$ 73,832	$ 163,612
Chatham on the Thames - development area	3,637	(2,082)
Operation of the Chatham Public Library	4,729	4,250
Operations of local boards	(3,192)	(9,384)
	79,006	156,396
For benefitting landowners related to special charges and special areas	364,333	347,686
	$ 443,339	$ 504,082

(b) Approval of the Ontario Municipal Board has been obtained for the pending issues of long term liabilities and for those commitments to be financed from revenues beyond the term of Council.

THE CORPORATION OF THE CITY OF CHATHAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 1986

5. RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds of $993,181 (1985, $1,272,703) and $364,268 (1985, $284,981) respectively are made up of the following:

	1986	1985
Reserves set aside for specific purposes by Council		
For acquisition of fixed assets	$ 720,220	$ 751,309
For various programs, facilities, etc.	64,762	120,111
For working capital	208,199	401,283
Total reserves	$ 993,181	$1,272,703
Reserve funds set aside for specific purposes by legislation, regulation or agreement		
For park purposes	$ 112,175	$ 71,032
For parking purposes	252,093	184,983
	364,268	256,015
Reserve funds set aside for specific purposes by Council		
For library purposes		28,966
Total reserve funds	$ 364,268	$ 284,981

6. LIABILITY FOR PAST SERVICE PROVISION OF PENSION AGREEMENTS

Under the past service provision of pension agreements, the municipality is obligated at December 31, 1986 for an amount of approximately $1,144,308 (1985, $1,311,216) including interest as established for the plans. No provision has been made for this liability. The balance of this liability will be funded by annual payments of $166,908 for the next seven years and $35,715 for the four years following. An amount of $166,908 (1985, $166,908) has been provided for in the current year and is reported on the "Consolidated Statement of Operations".

7. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $556,347 (1985, $536,682) at the end of the year. No provision has been made for this liability.

THE CORPORATION OF THE CITY OF CHATHAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 1986

8. OPERATIONS OF SCHOOL BOARDS

Further to note 1(a)(iii), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards are comprised of the following:

	School Boards	
	1986	1985
Taxation and user charges	$10,477,478	$9,822,942
Grants	53,772	37,016
	10,531,250	9,859,958
Requisitions	10,530,149	9,867,866
Overlevies (underlevies) for the year	1,101	(7,908)
Overlevies at the beginning of the year	6,168	14,076
Overlevies at the end of the year	$ 7,269	$ 6,168

9. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long term liabilities which are reported on the "Consolidated Statement of Operations" are as follows:

	1986	1985
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	$ 2,315,278	$2,008,627
Interest	1,805,015	1,746,683
	$ 4,120,293	$3,755,310

10. TRUST FUNDS

Trust funds administered by the municipality amounting to $731,041 (1985, $640,110) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

THE CORPORATION OF THE CITY OF CHATHAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 1986

11. NONACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made the municipal fund balances as at December 31, 1986 would have been decreased by $623,711 (1985, $652,551).

12. CONTINGENT LIABILITIES

The municipality is contingently liable for long term liabilities for which the responsibility for the payment of principal and interest has been assumed by unconsolidated municipal enterprises and utilities. The total amount outstanding as at December 31, 1986 is $2,611,000 (1985, $1,092,000) and is not recorded on the "Consolidated Balance Sheet".

Thorne Ernst & Whinney
Chartered Accountants

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AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of the Corporation of
the City of Chatham

We have examined the balance sheet of the trust funds of the Corporation of the City of Chatham as at December 31, 1986 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the trust funds for the Corporation of the City of Chatham as at December 31, 1986 and the continuity of trust funds for the year then ended in accordance with the accounting principles disclosed in note 1 to the finanical statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

April 12, 1987

Licence Number 1086

THE CORPORATION OF THE CITY OF CHATHAM

TRUST FUNDS

STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986						1985
	Emigrants	Legacy	Victoria Residence	Cemetery	Ontario Home Renewal Plan	Total	Total
Balance at beginning of the year	$ 208	$ 8,499	$214,242	$350,990	$ 66,171	$640,110	$610,187
Revenue							
Provincial grant					83,312	83,312	
Capital receipts	89	25	95,849	30,805		126,768	100,681
Interest earned	7	1,024	13,011		3,871	17,913	16,107
	96	1,049	108,860	30,805	87,183	227,993	116,788
Expenditures	96	1,024	122,156	1,737	4,220	129,233	78,254
Loans forgiven					7,829	7,829	8,611
Balance at end of the year	$ 208	$ 8,524	$200,946	$380,058	$141,305	$731,041	$640,110

"The note to the financial statements is an integral part of this financial statement.

THE CORPORATION OF THE CITY OF CHATHAM

TRUST FUNDS

BALANCE SHEET AS AT DECEMBER 31, 1986

	1986						1985
	Emigrants	Legacy	Victoria Residence	Cemetery	Ontario Home Renewal Plan	Total	Total
Assets							
Cash	$ 293	$ 1,598	$ 44,532		$ 85,284	$131,707	$ 86,729
Investments, at cost (market value $574,037; 1985, $506,708)							
Canada		7,000		$ 84,000		91,000	91,000
Provincial				11,000		11,000	11,000
Ontario Hydro		500		240,000		240,500	231,500
Other			150,000			150,000	150,000
		7,500	150,000	335,000		492,500	483,500
Loans receivable					56,021	56,021	46,856
Other	89	473	8,710	45,058		54,330	25,542
	$ 382	$ 9,571	$203,242	$380,058	$141,305	$734,558	$642,627
Liabilities							
Accounts payable and accrued liabilities	$ 174	$ 1,047	$ 2,296			$ 3,517	$ 2,517
Fund balance	208	8,524	200,946	$380,058	$141,305	731,041	640,110
	$ 382	$ 9,571	$203,242	$380,058	$141,305	$734,558	$642,627

"The note to the financial statements is an integral part of this financial statement."

THE CORPORATION OF THE CITY OF CHATHAM

NOTE TO TRUST FUNDS FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

(a) Balance Sheet

This statement reflects the assets and liabilities of the Emigrants, Legacy, Victoria Residence, Cemetery and Ontario Home Renewal Plan trust funds.

Interfund assets and liabilities are not eliminated.

(b) Statement of Continuity

This statement reflects the sources of financing, expenditures and loans forgiven of the Emigrants, Legacy, Victoria Residence, Cemetary and Ontario Home Renewal Plan trust funds.

Interfund sources of financing and expenditures are not eliminated.

(c) Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis with the exception of interest charges on outstanding loans which are included in sources of financing in the periods in which they are received. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Thorne Ernst & Whinney
Chartered Accountants

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AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

The Corporation of the City of Chatham

The audited financial statements of the Corporation of the City of Chatham and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position of the Corporation of the City of Chatham. Such information, except for the pages marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Thorne Ernst & Whinney

April 12, 1987

Licence Number 1086

THE CORPORATION OF THE CITY OF CHATHAM

ANALYSIS OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 1986

	Revenue Fund	Reserve Fund	Capital Fund	Local Boards	Eliminations	Total
ASSETS						
Unrestricted						
Cash	$ (92,665)		$ 703,833	$ 949		$ 612,117
Taxes receivable	1,279,421					1,279,421
Accounts receivable	2,011,043		213	57,097	$391,169	1,677,184
Other current assets	167,158			15,072		182,230
	3,364,957		704,046	73,118	391,169	3,750,952
Restricted						
Cash and term deposits		$353,773				353,773
Accounts receivable		38,437		24,170	24,170	38,437
		392,210		24,170	24,170	392,210
Capital outlay financed by long term liabilities and to be recovered in future years			20,415,271			20,415,271
	$3,364,957	$392,210	$21,119,317	$ 97,288	$415,339	$24,558,433
LIABILITIES						
Current liabilities						
Temporary loans			$ 1,261,558			$ 1,261,558
Accounts payable and accrued liabilities	$1,872,496	$ 27,942	483,058	$ 59,905	$415,339	2,028,062
Other current liabilities	93,324		704,548			797,872
	1,965,820	27,942	2,449,164	59,905	415,339	4,087,492
Net long term liabilities			20,415,271			20,415,271
FUND BALANCES AT THE END OF THE YEAR						
To be used to offset taxation or user charges in subsequent year	441,802			1,537		443,339
Capital operations not yet permanently financed			(1,745,118)			(1,745,118)
	441,802		(1,745,118)	1,537		(1,301,779)
Reserves	957,335			35,846		993,181
Reserve funds		364,268				364,268
	1,399,137	364,268	(1,745,118)	37,383		55,670
	$3,364,957	$392,210	$21,119,317	$ 97,288	$415,339	$24,558,433

THE CORPORATION OF THE CITY OF CHATHAM

ANALYSIS OF OPERATIONS

YEAR ENDED DECEMBER 31, 1986

	Revenue Fund	Reserve Fund	Capital Fund	Local Boards	Eliminations	Total
SOURCES OF FINANCING:						
Taxation and user charges						
Residential and farm taxation	$13,083,725					$13,083,725
Commercial, industrial and business taxation	12,624,943					12,624,943
Payments in lieu of taxes from other governments	637,666					637,666
User charges	3,906,529			$ 92,426		3,998,955
	30,252,863			92,426		30,345,289
Grants						
Government of Canada	239,298		$ 4,000	6,000		249,298
Province of Ontario	8,827,729		812,174	105,279		9,745,182
Other				1,053,773	$1,053,773	
	9,067,027		816,174	1,165,052	1,053,773	9,994,480
Other						
Investment income	359,945	$ 21,728		2,161		383,834
Penalties and interest on taxes	211,642					211,642
Contributions from revenue fund		89,374	499,969		589,343	
Contributions from capital fund	107,606				107,606	
Contributions from landowners and developers		42,613	106,465			149,078
Sale of land and equipment	803		13,703	50		14,556
Other	20,647			392	212	20,827
	700,643	153,715	620,137	2,603	697,161	779,937
	40,020,533	153,715	1,436,311	1,260,081	1,750,934	41,119,706
Deduct amounts received or receivable for School Boards	10,531,250					10,531,250
	29,489,283	153,715	1,436,311	1,260,081	1,750,934	30,588,456
Proceeds from the issue of long term liabilities			385,883			385,883
Net appropriations from reserves and reserve funds	354,076		45,462	4,697	204,000	200,235
	29,843,359	153,715	1,867,656	1,264,778	1,954,934	31,174,574
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR						
To be used to offset (to be recovered from) taxation or user charges	509,216			(5,134)		504,082
Capital operations not yet financed			(257,203)			(257,203)
TOTAL FINANCING AVAILABLE DURING THE YEAR	$30,352,575	$153,715	$1,610,453	$1,259,644	$1,954,934	$31,421,453

	Revenue Fund	Reserve Fund	Capital Fund	Local Boards	Eliminations	Total
APPLIED TO:						
Current operations:						
General government	$ 2,606,954					$ 2,606,954
Protection to persons and property	6,878,076					6,878,076
Transportation services	6,164,186					6,164,186
Environmental services	3,642,438					3,642,438
Health services	313,588					313,588
Social and family services	4,291,812					4,291,812
Recreation and cultural services	3,204,985			$1,208,230	$1,044,265	3,368,950
Planning and development	1,671,510					1,671,510
	28,773,549			1,208,230	1,044,265	28,937,514
Capital:						
General government	19,275		$ 70,295			89,570
Protection to persons and property	176,777		125,659			302,436
Transportation services	106,848		1,547,470			1,654,318
Environmental services	38,704		946,753			985,457
Health services			7,650			7,650
Social and family services	12,381		29,196			41,577
Recreation and cultural services	151,594		98,868	49,877		300,339
Planning and development			404,371			404,371
	505,579		3,230,262	49,877		3,785,718
Net appropriations to reserves and reserve funds	631,645	$108,253	17,703		757,601	
Transfer to revenue fund			107,606		107,606	
Transfer to capital fund		45,462			45,462	
	29,910,773	153,715	3,355,571	1,258,107	1,954,934	32,723,232
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR						
To be used to offset (to be recovered from) taxation or user charges	441,802			1,537		443,339
Capital operations not yet financed			(1,745,118)			(1,745,118)
TOTAL APPLICATIONS DURING THE YEAR	$30,352,575	$153,715	$1,610,453	$1,259,644	$1,954,934	$31,421,453

THE CORPORATION OF THE CITY OF CHATHAM

ANALYSIS OF CAPITAL OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986	1985
Source of financing		
Long term liabilities incurred	$ 385,883	$2,324,000
Ontario grants	812,174	649,581
Canada grants	4,000	44,609
Other	120,168	113,701
Appropriations from other funds		
Current operations	1,055,425	938,197
Reserve funds	45,462	
	2,423,112	4,070,088
Expenditures		
General government	89,570	45,733
Protection to persons and property	302,436	75,543
Transportation services	1,654,318	788,035
Environmental services	985,457	682,947
Health services	7,650	14,173
Social and family services	41,577	13,467
Recreation and cultural services	300,339	265,780
Planning and development	404,371	91,098
	3,785,718	1,976,776
Transfer to revenue fund	125,309	64,292
Capital operations not yet financed at the beginning of the year	(257,203)	(2,286,223)
Capital operations not yet financed at the end of the year	$(1,745,118)	$ (257,203)

THE CORPORATION OF THE CITY OF CHATHAM

ANALYSIS OF RESERVES AND RESERVE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986	1985
RESERVES		
Balance at the beginning of the year	$1,272,703	$1,176,392
Appropriations from (to) current operations	(279,522)	96,311
Balance at end of the year	$ 993,181	$1,272,703
RESERVE FUNDS		
Balance at the beginning of the year	$ 284,981	$ 203,550
Revenue		
Contributions from developers	42,613	10,234
Interest earned	21,728	16,263
Contributions from current operations	89,374	43,338
Donations		6,589
Grants		5,007
	153,715	81,431
Expenditures		
Library expenses	28,966	
Contributions to capital operations	45,462	
	74,428	
Balance at the end of the year	$ 364,268	$ 284,981

THE CORPORATION OF THE CITY OF CHATHAM

SIX YEAR FINANCIAL REVIEW
(unaudited)

(All dollar amounts are in thousands of dollars, except per capita figures and are based on the annual consolidated Financial Information Returns)

	1986	1985	1984	1983	1982	1981
1. Population at the end of the year	41,386	41,586	41,019	41,019	40,434	40,256
2. Area in acres at the end of the year	6,919	6,919	6,919	6,919	6,919	5,736
3. Employees - continuous full time	356	332	337	329	324	346
- part time	189	282	243	234	159	114
4. Number of households	15,846	15,673	15,528	15,519	15,264	15,138
5. Assessment						
Taxable assessment upon which the year's rates of taxation were set						
Residential and farm	$ 54,226	$ 53,361	$ 53,264	$ 53,096	$ 52,527	$ 51,791
Commercial and industrial	29,037	28,512	28,013	27,757	26,294	25,451
Business	12,827	12,885	12,640	12,565	11,991	11,450
Total	$ 96,090	$ 94,758	$ 93,917	$ 93,418	$ 90,812	$ 88,692
Per capita	$ 2,311	$ 2,279	$ 2,290	$ 2,277	$ 2,245	$ 2,203
Commercial and industrial, and business as a percentage of taxable assessment	44%	44%	43%	43%	42%	42%
Exempt assessment	$ 16,915	$ 16,734	$ 17,006	$ 16,637	$ 16,448	$ 16,656
Provincial equalization factor	10.02	9.45	10.27	10.13	10.04	9.9
6. Rates of taxation						
Residential and farm mill rate						
for general municipal purposes	136	127	122	112	101	95
for school board purposes	96	92	85	79	79	72
	232	219	207	191	180	167
Commercial and industrial mill rate						
for general municipal purposes	160	150	143	132	119	111
for school board purposes	113	108	100	93	92	85
	273	258	243	225	211	196
7. Revenue for general municipal services						
Taxation	$ 18,436	$ 17,289	$ 16,180	$ 14,822	$ 13,300	$ 12,216
Payments in lieu of taxes	584	557	536	483	454	411
Ontario grants	8,933	8,859	8,014	8,610	7,957	6,586
Other grants	249	138	555	775	78	5
Fees and service charges	3,392	3,214	2,582	2,180	2,132	2,005
Other	1,958	1,594	2,013	1,178	1,245	1,052
Total	33,552	31,651	29,880	27,998	25,166	22,275
8. Tax arrears - per capita	$ 28	$ 29	$ 33	$ 43	$ 47	$ 45
- percentage of current levy	4%	5%	6%	8%	10%	9%
9. Expenditure - general municipal	$ 33,600	$ 31,858	$ 29,590	$ 28,025	$ 25,209	$ 22,543
10. Transfers to the school boards	$ 10,530	$ 9,868	$ 9,074	$ 8,507	$ 7,838	$ 7,209

THE CORPORATION OF THE CITY OF CHATHAM

SIX YEAR FINANCIAL REVIEW (Continued)
(unaudited)

(All dollar amounts are in thousands of dollars, except per capita figures and are based on the annual consolidated Financial Information Returns)

	1986	1985	1984	1983	1982	1981
11. Long term liabilities						
General municipal activities	$ 20,415	$ 22,525	$ 22,334	$ 24,403	$ 23,842	$ 22,194
- per capita	491	542	554	595	589	551
- as a percentage of taxable assessment	21%	24%	24%	26%	26%	25%
Municipal enterprises	$ 2,611	$ 1,092	$ 1,242	$ 1,383	$ 1,517	$ 1,646
12. Charges for net long term liabilities						
General municipal activities	$ 4,120	$ 3,755	$ 3,885	$ 3,536	$ 3,178	$ 2,406
- per capita	99	90	95	86	79	60
- as a percentage of taxable assessment	4.3%	4.0%	4.1%	3.8%	3.5%	2.7%
13. Capital financing during the year						
Contribution from own funds	$ 1,908	$ 1,075	1,027	$ 707	$ 690	$ 682
Long term liabilities incurred	386	2,324		2,190	3,104	5,156
Ontario grants	812	650	954	1,673	3,238	606
Other	179	187	147	27	87	396
Total	3,285	4,236	$ 2,128	$ 4,597	$ 7,119	$ 6,840
14. Capital expenditure during the year	$ 4,806	$ 2,220	3,476	$ 4,557	$ 6,414	$ 4,650
15. Accumulated net revenue at the end of the year	$ 815	$ 861	1,075	$ 865	$ 1,056	$ 890
16. Reserves and reserve funds	$ 1,359	$ 2,015	$ 1,610	$ 1,486	$ 880	$ 1,141

CHATHAM PUBLIC LIBRARY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

DECEMBER 31, 1986

CHATHAM PUBLIC LIBRARY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

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Thorne Ernst & Whinney
Chartered Accountants

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AUDITORS' REPORT

To the Members of the Chatham Public Library,
Members of Council, Inhabitants and Ratepayers
of the Corporation of the City of Chatham

We have examined the balance sheet of the Chatham Public Library as at December 31, 1986 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Library as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the summary of significant accounting policies applied on a basis consistent with that of the preceding year.

Thorne Ernst Whinney

April 7, 1987

Municipal Auditors' Licence #1086

CHATHAM PUBLIC LIBRARY

BALANCE SHEET

	December 31 1986	1985
ASSETS		
OPERATING FUND		
Cash	$ 365	$ 61,471
Accounts receivable	968	-
Grants receivable	-	1,175
Receivable from City of Chatham	49,926	-
Prepaid expenses	15,072	14,177
	66,331	76,823
RESERVE FUND		
Cash	-	12,085
Term deposit	-	16,579
Receivable from City of Chatham	24,170	
Receivable from operating fund	-	302
	24,170	28,966
	$ 90,501	$105,789
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	$ 49,926	$ 60,694
Payable to reserve fund	-	302
	49,926	60,996
FUND BALANCES		
Operating surplus	4,729	4,250
Reserve for encumbrances	11,676	11,577
Reserve fund	24,170	28,966
	40,575	44,793
	$ 90,501	$105,789

Contingent liability (note 1)

CHATHAM PUBLIC LIBRARY

STATEMENT OF OPERATIONS

	Year Ended December 31 1986	1985
Revenue		
Municipal grants		
Operating	$765,081	$702,358
Special purpose	-	16,115
Province of Ontario grants	98,679	94,311
Other grants	2,720	12,938
Regional library system contract receipts		
Resource centre development	15,000	15,000
Film services	19,675	17,150
General support	-	2,500
Support of continuing education		
Regional	-	2,000
University of Windsor	10,319	10,319
Desk receipts	34,104	33,334
Interest	2,161	8,907
Donations		
General	87	93
Specific purpose	6,923	6,589
	954,749	921,614
Expenditure		
Operations		
Salaries		
Library	585,254	568,545
Fringe benefits	74,934	69,408
Materials, supplies and utilities		
Books and other library materials	104,935	99,420
Utilities	33,543	34,359
Other supplies	33,189	28,179
Bookmobile		
Drivers' salaries and benefits	30,608	15,283
Other expenses	3,545	4,289
Repairs and maintenance, building and equipment		
Supplies and services	35,356	35,876
Casual labour	6,455	5,350
Professional fees	3,000	2,650
Other	13,825	21,000
	924,644	884,359
Capital expenditures	34,323	25,249
Net appropriation to reserve for encumbrances	99	11,577
Net appropriations from reserve fund	(4,796)	(8,124)
	954,270	913,061
EXCESS OF REVENUE OVER EXPENDITURE	479	8,553
Surplus (deficit) at beginning of year	4,250	4,303
SURPLUS AT END OF YEAR	$ 4,729	$ 4,250

CHATHAM PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) The balance sheet reflects the assets and liabilities of the revenue fund and the reserve fund of the Library.

(b) The statement of operations reflects the consolidated revenues and expenditures of the revenue fund and the reserve fund of the Library.

(c) Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(d) The historical cost and accumulated depreciation of fixed assets is not reported for municipal purposes. Fixed assets are reported as an expenditure on the "Statement of Operations" in the year of acquisition.

1. CONTINGENT LIABILITY

The Library reflects in the "Statement of Operations" only payments made in respect of sick pay benefits. No provision has been made in the accounts for vested benefits which amount to $40,667 at December 31, 1986 ($50,170 in 1985). There are two employee retirements anticipated in 1987.

Thorne Ernst & Whinney
Chartered Accountants

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AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Chatham Public Library
Chatham, Ontario

The audited financial statements of the Library and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position of the Library. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Thorne Ernst & Whinney

April 7, 1987

Municipal Auditors' Licence #1086

CHATHAM PUBLIC LIBRARY

SCHEDULE OF BOOKS AND OTHER LIBRARY MATERIALS

	Year Ended December 31 1986	1985
Adult non-fiction	$ 16,204	$ 18,417
Adult fiction	15,612	22,005
Reference	14,056	10,581
Children's	19,311	18,094
Express	6,242	1,954
Binding	-	1,119
Periodicals	14,743	14,054
Microfilms and newspapers	5,149	3,540
Films and film expense	6,489	6,694
Adult records and cassettes	4,490	756
Talking books	2,620	1,894
Juvenile records	19	312
	$104,935	$ 99,420

CHATHAM-KENT MUSEUM

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1986

CHATHAM-KENT MUSEUM

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1986

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Thorne Ernst & Whinney
Chartered Accountants

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519/352-0550

AUDITORS' REPORT

To the Members of the Board
of the Chatham-Kent Museum, Members of Council,
Inhabitants and Ratepayers of the Corporation
of the City of Chatham

We have examined the balance sheet of the Chatham-Kent Museum as at December 31, 1986 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Museum as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

March 27, 1987

Licence #1086

CHATHAM-KENT MUSEUM

STATEMENT OF OPERATIONS

	Year Ended December 31 1986	1985
Revenue		
City of Chatham	$ 49,636	$ 42,000
Donations	564	362
	50,200	42,362
Operating expenditure		
Salaries	34,860	30,162
Employee benefits	1,542	1,408
Car allowance	575	575
Heat, light and water	3,278	3,146
Advertising and promotion	869	753
Telephone	624	546
Insurance	538	336
Office	1,473	1,707
Professional fees	748	625
Repairs and maintenance, building and equipment	4,470	4,554
Miscellaneous	817	1,194
Seminars and workshops	211	-
Survey and landscaping	485	-
Capital expenditures	1,599	-
	52,089	45,006
Excess of expenditure over revenue	1,889	2,644
Equity (deficit) at beginning of year	(817)	1,827
Deficit at end of year	$ 2,706	$ 817

BALANCE SHEET

	December 31 1986	1985
ASSETS		
Cash	$ 100	$ 100
LIABILITIES AND DEFICIT		
Payable to City of Chatham	$ 2,806	$ 917
Deficit	2,706	817
	$ 100	$ 100

CHATHAM-KENT MUSEUM

NOTE TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Expenditures on fixed assets are charged as capital expenditures against current revenue unless the expenditures are financed out of long-term debt.

CHATHAM HORTICULTURAL SOCIETY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

DECEMBER 31, 1986

CHATHAM HORTICULTURAL SOCIETY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

DECEMBER 31, 1986

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Thorne Ernst & Whinney
Chartered Accountants

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519/352-0550

AUDITORS' REPORT

To the Members of the
Chatham Horticultural Society, Members of Council, Inhabitants
and Ratepayers of the Corporation of the City of Chatham

We have examined the balance sheet of the Chatham Horticultural Society as at December 31, 1986 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Society as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting principles as set out in the note to the financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

March 26, 1987

Municipal Auditors' Licence #1086

Member of Ernst & Whinney International

CHATHAM HORTICULTURAL SOCIETY

BALANCE SHEET

	December 31 1986	1985
ASSETS		
Petty cash	$ 100	$ 100
Accounts receivable	6,203	3,431
Inventory	-	667
Buildings and equipment, at cost	140,125	129,327
	$146,428	$133,525
LIABILITIES AND EQUITY (DEFICIT)		
Accounts payable and accrued liabilities	$ 6,303	$ 12,889
Deficit	-	(8,691)
	6,303	4,198
Equity in buildings and equipment	140,125	129,327
	$146,428	$133,525

APPROVED BY THE BOARD:

_____ President

_____ Secretary-Treasurer

CHATHAM HORTICULTURAL SOCIETY

STATEMENT OF OPERATIONS

	Year Ended December 31 1986	1985
Revenue		
Grants		
City of Chatham	$221,036	$215,338
Province of Ontario	1,500	1,500
Ontario Youth Corps Program	2,380	48,679
Federal Section 38 Employment	6,000	
Miscellaneous	4,344	5,134
	235,260	270,651
Expenditures		
Operating	215,770	244,764
Capital	10,799	27,998
	226,569	272,762
Excess of revenue over expenditure (expenditure over revenue)	8,691	(2,111)
Deficit at beginning of year	8,691	6,580
Deficit at end of year	$ NIL	$ 8,691

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles generally accepted for Ontario municipalities and local boards except that, while it is not required disclosure, the Society reports buildings and equipment at cost on the balance sheet with a corresponding credit to equity in buildings and equipment. Additions to buildings and equipment are charged against revenue as capital expenditure. No provision is made for depreciation.

Thorne Ernst & Whinney
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519/352-0550

AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Chatham Horticultural Society
Chatham, Ontario

The audited financial statements of the Society and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position of the Society. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Thorne Ernst & Whinney

March 26, 1987

Municipal Auditors' Licence #1086

CHATHAM HORTICULTURAL SOCIETY

SCHEDULE OF OPERATING EXPENDITURE

	Year Ended December 31 1986	1985
Salaries	$132,413	$164,851
Fringe benefits	23,933	22,399
Greenhouse		
Supplies	5,098	15,941
Maintenance	9,114	4,298
Utilities	8,814	7,190
Parks and flower bed maintenance	13,485	12,974
Truck maintenance, gas and oil	5,941	8,240
Tools and equipment maintenance	2,676	2,471
Insurance	3,059	2,196
Federal Section 38 Employment	6,000	
Professional fees	1,025	950
Office supplies	1,073	654
Telephone	1,500	1,441
Travel, dues and publications	1,122	1,013
Miscellaneous	517	146
	$215,770	$244,764

CHATHAM KILTIE CONCERT BAND

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1986

CHATHAM KILTIE CONCERT BAND

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1986

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Thorne Ernst & Whinney
Chartered Accountants

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352-0550

AUDITORS' REPORT

To the Members of the
Chatham Kiltie Concert Band

We have examined the balance sheet of the Chatham Kiltie Concert Band as at December 31, 1986 and the statements of financial activities and equity (deficit), changes in financial position and equity in capital assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Band as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles as set out in the summary of significant accounting policies applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

January 19, 1987

Licence #1086

CHATHAM KILTIE CONCERT BAND

BALANCE SHEET

	December 31 1986	1985
ASSETS		
Operating section		
Cash	$ 384	$ 312
Accounts receivable	-	1,000
	384	1,312
Capital assets (note 1)		
Musical arrangements, instruments and equipment	49,195	47,306
	$ 49,579	$ 48,618
LIABILITIES AND EQUITY (DEFICIT)		
Operating section		
Accounts payable and accrued liabilities	$ 870	$ 1,188
Equity (deficit)	(486)	124
	384	1,312
Equity in capital assets	49,195	47,306
	$ 49,579	$ 48,618

APPROVED BY THE DIRECTORS:

_____

_____

CHATHAM KILTIE CONCERT BAND

STATEMENT OF FINANCIAL ACTIVITIES AND EQUITY (DEFICIT)

	Year Ended December 31 1986	1985
Revenue		
City grant	$ 18,020	$ 20,615
Concerts, parades and donations	1,410	2,125
Miscellaneous	392	8
	19,822	22,748
Expenses		
Bandmaster's salary and benefits	6,761	5,646
Librarian salary	882	840
Office supplies and miscellaneous	2,597	1,915
Utilities and telephone	1,360	1,537
Caretaker's salary	882	840
Secretary-treasurer's salary	1,260	1,200
Bank charges and interest	70	365
Insurance	375	338
Instrument repairs	355	933
Advertising	1,115	251
Chatham Federation of Musicians	36	35
Professional fees	900	842
Uniforms and jackets	733	368
	17,326	15,110
Excess of revenue over expenses before the undernoted	2,496	7,638
Instrument sales	50	1,500
Transfer from scholarship fund	-	173
	2,546	9,311
Capital expenditures	3,156	4,983
Net revenue (expenditure)	(610)	4,328
EQUITY (DEFICIT) AT BEGINNING OF YEAR	124	(4,204)
EQUITY (DEFICIT) AT END OF YEAR	$ (486)	$ 124

CHATHAM KILTIE CONCERT BAND

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended December 31 1986	1985
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net revenue (expenditure)	$ (610)	$ 4,328
Accounts receivable	1,000	(913)
Accounts payable	(318)	382
	72	3,797
INCREASE (DECREASE) IN CASH	72	3,797
Cash position at beginning of year	312	(3,485)
CASH AT END OF YEAR	$ 384	$ 312

CHATHAM KILTIE CONCERT BAND

STATEMENT OF EQUITY IN CAPITAL ASSETS

	Year Ended December 31 1986	1985
BALANCE AT BEGINNING OF YEAR	$ 47,306	$ 44,808
Additions		
Musical arrangements	1,474	1,707
Musical instruments	1,244	836
Equipment	438	2,440
	3,156	4,983
	50,462	49,791
Musical arrangements written off	1,217	985
Instrument sales	50	1,500
	1,267	2,485
BALANCE AT END OF YEAR	$ 49,195	$ 47,306

CHATHAM KILTIE CONCERT BAND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

GENERAL

The Band's principal activity is the performance of concerts. Revenue consists primarily of a City of Chatham grant and other donations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital assets

Capital assets are charged as capital expenditures in the Statement of Financial Activities and Equity (Deficit). They are also recorded on the balance sheet at cost with an offsetting credit to Equity in Capital Assets, except for musical instruments and equipment acquired prior to October 1, 1972 which were valued at replacement cost at that date. No depreciation is provided on musical instruments and equipment. Musical arrangements are recognized as capital assets for five years after which time they are removed from the balance sheet.

In all other respects these financial statements are prepared in accordance with generally accepted accounting principles.

1. CAPITAL ASSETS

	1986	1985
Musical arrangements	$ 5,561	$ 5,304
Musical instruments	25,385	24,191
Equipment	18,249	17,811
	$ 49,195	$ 47,306

THE BOARD OF WATER COMMISSIONERS
OF THE CITY OF CHATHAM

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

DECEMBER 31, 1986

THE BOARD OF WATER COMMISSIONERS
OF THE CITY OF CHATHAM

FINANCIAL STATEMENTS INDEX

DECEMBER 31, 1986

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Chartered Accountants

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AUDITORS' REPORT

To the Chairman, Board Members, Members of Council,
Inhabitants and Ratepayers of the Corporation
of The City of Chatham

We have examined the consolidated balance sheet of The Board of Water Commissioners of the City of Chatham as at December 31, 1986 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Board as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

February 6, 1987

Municipal Auditors' Licence #1086

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

CONSOLIDATED BALANCE SHEET

	December 31 1986	1985
ASSETS		
Current assets		
Cash	$ 136,025	$ 493,575
Accounts receivable		
Sale of water	160,356	168,109
General	72,687	62,414
Sewer charges	33,807	30,900
Inventories	214,643	135,267
Prepaid expenses	20,912	18,412
	638,430	908,677
Impost reserve fund (note 2)		
Cash	30,289	116,637
Accounts receivable	973	328
	31,262	116,965
Capital outlay financed by long term liabilities and to be recovered in future years from waterworks revenue (note 3)	911,000	1,092,000
	$1,580,692	$2,117,642

APPROVED BY THE BOARD:

_____ Commissioner

_____ Commissioner

"The notes to the financial statements are an integral part of this financial statement."

	December 31 1986	1985
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 183,222	$ 142,347
Holdbacks and capital accounts payable	64,401	31,667
Sewer charges payable to City of Chatham	90,873	75,414
	338,496	249,428
Long term debt financed by the municipality (note 5)	911,000	1,092,000
Impost reserve fund		
Accounts payable	30,000	-
EQUITY		
Accumulated net revenue	364,335	350,916
Capital operations not yet permanently financed	(64,401)	(31,667)
Reserve for capital	-	340,000
Impost reserve fund	1,262	116,965
	$1,580,692	$2,117,642

Contingent liability (note 6)

Past service costs (note 7)

"The notes to the financial statements are an integral part of this financial statement."

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended December 31 1986	1985
Revenue		
Sale of water	$2,693,203	$2,788,448
Fire protection	91,700	91,100
Service charges	218,198	205,497
Recovered expenses	152,628	79,212
Subdivider charges	28,993	4,230
Other	60,390	38,496
Provincial grant	-	32,038
	3,245,112	3,239,021
Expenditures		
Water supply	876,883	872,116
Power and pumping	102,162	101,486
Water transmission and distribution	672,992	581,273
Administration	895,267	901,866
	2,547,304	2,456,741
Capital expenditures	861,874	165,484
Principal payments on long term debt	181,000	150,000
Interest on long term debt	97,218	110,715
Net appropriations to (from) reserve and reserve fund	(455,703)	227,229
	3,231,693	3,110,169
EXCESS OF REVENUE OVER EXPENDITURES	13,419	128,852
Equity balance at the beginning of the year	350,916	222,064
EQUITY BALANCE AT THE END OF THE YEAR	$ 364,335	$ 350,916

"The notes to the financial statements are an integral part of this financial statement."

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

The consolidated financial statements of the Board of Water Commissioners of the City of Chatham are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of consolidation

(i) These consolidated statements reflect the assets, liabilities, revenues and expenditures of the revenue fund, capital fund, reserve fund and reserves.

All interfund assets and liabilities and revenues and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the Board and the resulting interest income and expenditures.

(ii) Non-consolidated entities

There are no non-consolidated entities.

(iii) Trust fund amounting to $49,915 (1985, $47,515) and their related operations administered by the Board are not consolidated, but are reported separately on the "Trust Fund Statement of Continuity and Balance Sheet".

(b) Basis of accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of revenue, see (ii), and principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay. As in prior years, no provision has been made in the accounts for the revenue earned from the dates consumers' meters were last read to the end of the year.

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. ACCOUNTING POLICIES (Continued)

(b) (iii) Inventories of supplies are reflected at cost. Materials for specific projects are charged against current revenue as used, on the basis of first in, first out. General materials are charged against current revenues as used, at average cost.

(iv) The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Fixed assets are reported as an expenditure on the "Consolidated Statement of Operations" in the year of acquisition.

(v) "Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet".

2. IMPOST RESERVE FUND

The Board imposes, by authority of a by-law passed by the Board, a special charge of $2,400 per gross acre of land and proportionately for a part thereof contained within a plan of subdivision for which approval is requested.

The by-law provides that all such monies received shall be used only for the purpose of constructing distribution system feeder mains.

3. CAPITAL OUTLAY FINANCED BY LONG TERM LIABILITIES TO BE RECOVERED IN FUTURE YEARS FROM WATERWORKS REVENUE

	1986	1985
Land	$ 58,146	$ 58,146
Buildings	1,911,489	1,582,648
Engineering structures	6,615,229	6,280,623
Machinery and equipment	1,223,915	1,077,500
	9,808,779	8,998,917
Less equity in capital assets	8,833,378	7,875,250
	975,401	1,123,667
Less unfinanced capital outlay	64,401	31,667
	$ 911,000	$1,092,000

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. NON-ACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made the equity balance as at December 31, 1986 would have been decreased by $35,549 (1985, $42,066).

5. LONG TERM DEBT FINANCED BY THE MUNICIPALITY

	1986	1985
9 1/4% City of Chatham debenture, payable approximately $88,500 annually including interest, due December 1, 1990	$ 354,000	$ 425,000
9 1/2% City of Chatham debenture, payable $65,000 annually plus interest, due July 2, 1990	260,000	325,000
7 3/4% City of Chatham debenture, payable approximately $46,000 annually including interest, due February 1, 1992	277,000	312,000
9 1/2% City of Chatham debenture, payable $10,000 annually plus interest, due January 31, 1988	20,000	30,000
	$ 911,000	$1,092,000

Principal and interest payments due in the next five years:

	Principal	Interest	Total
1987	$190,000	$ 80,813	$ 270,813
1988	200,000	63,620	263,620
1989	201,000	45,548	246,548
1990	214,000	27,453	241,453
1991	51,000	8,215	59,215

6. CONTINGENT LIABILITY

The Board makes payments in respect of separation or termination of employment based upon the number of years service at date of termination. No provision has been made in the accounts for unpaid accumulated termination benefits which amount to $63,561 at December 31, 1986 ($64,408 at December 31, 1985).

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. PAST SERVICE COSTS

The Board has entered into supplementary pension agreements under OMERS for past services. At December 31, 1986 the liability for these agreements amounted to approximately $113,808. This amount will be retired out of general revenue at approximately $15,816 per year for the next six years and approximately $3,152 per year for an additional six years. No provision has been made for this liability.

Thorne Ernst & Whinney
Chartered Accountants

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519/352-0550

AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

The Board of Water Commissioners
of the City of Chatham

The audited financial statements of the Board of Water Commissioners of the City of Chatham and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position or results of its operations. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Thorne Ernst & Whinney

February 6, 1987

Municipal Auditors' Licence #1086

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

ANALYSIS OF IMPOST RESERVE FUND

	Year Ended December 31 1986	1985
Balance at beginning of year	$116,965	$154,736
Contributions from subdividers	28,994	4,230
Interest earned	6,453	9,935
	35,447	14,165
Contributions to current operations	134,515	18,994
Contributions to capital operations	16,635	32,942
	151,150	51,936
Balance at end of year	$ 1,262	$116,965

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

ANALYSIS OF REVENUE

	Year Ended December 31 1986	1985
Sale of water		
Residential	$1,521,039	$1,518,987
Non-residential	1,172,164	1,269,461
	2,693,203	2,788,448
Fire protection		
Own municipality	87,680	87,080
Other municipalities	4,020	4,020
	91,700	91,100
Service charges and commission		
Service charges	200,898	188,797
Commission on collection of sewage charges	17,300	16,700
	218,198	205,497
Other		
Investment income	43,513	34,675
Miscellaneous	16,877	3,821
	60,390	38,496
Recovered expenses		
Operating	97,357	51,024
Capital	55,271	28,188
	152,628	79,212
Subdivider charges	28,993	4,230
Provincial grant	-	32,038
	$3,245,112	$3,239,021

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

ANALYSIS OF EXPENDITURES

	Year Ended December 31 1986	1985
Water supply		
Purchased water	$ 644,796	$ 644,796
Operation and maintenance	232,087	227,320
	876,883	872,116
Power and pumping	102,162	101,486
Water transmission and distribution		
Mains	283,573	258,557
Meters	185,907	161,395
Services	203,512	161,321
	672,992	581,273
Administration		
General administration	418,253	454,555
Billing and data processing	394,509	369,756
Other	82,505	77,555
	895,267	901,866
	$2,547,304	$2,456,741

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AUDITORS' REPORT

To the Chairman, Board Members, Members of Council,
Inhabitants and Ratepayers of the Corporation of
the City of Chatham

We have examined the balance sheet of the trust fund of The Board of Water Commissioners of the City of Chatham as at December 31, 1986 and the statement of continuity of trust fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

The trust fund of the Board of Water Commissioners of the City of Chatham derives receipts from consumers, which are not susceptible to complete audit verification. Accordingly, our verification of such receipts was limited to accounting for the amounts recorded in the records of the trust fund.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to receipts from consumers as referred to in the preceding paragraph, these financial statements present fairly the financial position of the trust fund of the Board of Water Commissioners of the City of Chatham as at December 31, 1986 and the continuity of the trust fund for the year then ended in accordance with accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

February 16, 1987

Municipal Auditors' Licence #1086

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

TRUST FUND

STATEMENT OF CONTINUITY

	Year Ended December 31 1986	1985
Balance at the beginning of the year	$ 47,515	$ 43,815
Consumer deposits received	12,775	13,750
Consumer deposits returned	10,375	10,050
	2,400	3,700
Balance at the end of the year	$ 49,915	$ 47,515

BALANCE SHEET

	December 31 1986	1985
ASSETS		
Cash	$ 49,915	$ 47,515
LIABILITIES		
Refundable consumer deposits	$ 49,915	$ 47,515

"The notes to the financial statements are an integral part of this financial statement."

THE BOARD OF WATER COMMISSIONERS OF THE CITY OF CHATHAM

NOTES TO TRUST FUND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Balance sheet

This statement reflects the assets and liabilities of the consumer deposit trust fund.

Statement of continuity

This statement reflects the deposits received and returned during the year.

Basis of accounting

Deposits received and returned are reported on the cash basis and are recognized as they are received or returned.

CHATHAM HYDRO

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

DECEMBER 31, 1986

CHATHAM HYDRO

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

DECEMBER 31, 1986

AUDITED FINANCIAL STATEMENTS

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Schedule of General Administration Expense. 10

Statement of Changes in Cash Position 11

Thorne Ernst & Whinney
Chartered Accountants

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519/352-0550

AUDITORS' REPORT

To the Commissioners, Members of Council,
Inhabitants and Ratepayers of the Corporation
of the City of Chatham

We have examined the balance sheet of Chatham Hydro as at December 31, 1986 and the statements of operations, equity and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Chatham Hydro as at December 31, 1986 and the results of its operations and changes in its financial position for the year then ended in accordance with the accounting principles disclosed in the summary of significant accounting policies applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

March 11, 1987

Licence #1086

CHATHAM HYDRO

BALANCE SHEET

	December 31 1986	1985
ASSETS		
FIXED ASSETS (note 1)		
Land, buildings and equipment	$17,825,077	$14,111,846
Less accumulated depreciation	4,816,271	4,515,175
	13,008,806	9,596,671
CURRENT ASSETS		
Cash	379,584	626,000
Treasury bill	-	595,302
Accounts receivable (note 2)	1,281,935	1,079,585
Unbilled revenue	1,293,804	1,341,412
Inventories (note 3)	901,239	725,162
Prepaid expenses	4,463	9,141
	3,861,025	4,376,602
OTHER ASSETS		
Deferred unfunded past service pension costs	75,264	84,764
Unamortized debenture discount	20,033	-
	95,297	84,764
EQUITY IN ONTARIO HYDRO	10,431,177	9,521,113
	$27,396,305	$23,579,150

APPROVED BY THE COMMISSION:

_____ Commissioner

_____ Commissioner

	December 31 1986	1985
DEBT, LIABILITIES AND EQUITY		
LONG-TERM DEBT		
Debenture outstanding (note 4)	$ 1,700,000	$ -
Unfunded past service pension costs (note 5)	75,264	84,764
	1,775,264	84,764
Payment due within one year	181,860	9,500
	1,593,404	75,264
CURRENT LIABILITIES		
Accounts payable		
Trade	455,643	181,004
Ontario Hydro	1,252,939	1,298,145
Current portion of consumers' deposits	2,795	2,581
Current portion of long-term debenture	171,600	-
Current portion of unfunded past service pension costs	10,260	9,500
	1,893,237	1,491,230
DEFERRED CREDIT		
Contributed capital after January 1, 1980	247,046	108,246
Less accumulated amortization	20,612	11,777
	226,434	96,469
EQUITY	13,252,053	12,395,074
EQUITY IN ONTARIO HYDRO	10,431,177	9,521,113
	$27,396,305	$23,579,150

CHATHAM HYDRO

STATEMENT OF OPERATIONS

	Year Ended December 31 1986	1985
Service revenue		
Residential	$ 6,185,622	$ 5,800,296
General	12,527,094	11,779,503
Street lighting	205,164	202,588
	18,917,880	17,782,387
Power purchased	16,040,896	15,035,186
Gross margin on service revenue	2,876,984	2,747,201
Other operating revenue		
Miscellaneous	134,661	110,000
Interest	38,703	114,489
	3,050,348	2,971,690
Expenses		
Operation and maintenance	1,077,638	981,796
Billing and collecting	409,506	391,321
General administration	374,848	305,903
Depreciation less amortization of contributed capital of $8,835 (1985; $3,283)	520,934	433,922
	2,382,926	2,112,942
	667,422	858,748
Interest expense	73,086	7,485
Income before extraordinary item	594,336	851,263
Gain on disposal of building	262,643	-
NET INCOME	$ 856,979	$ 851,263

STATEMENT OF EQUITY

	Year Ended December 31 1986	1985
BALANCE AT BEGINNING OF YEAR	$12,395,074	$11,543,811
Net income	856,979	851,263
BALANCE AT END OF YEAR	$13,252,053	$12,395,074

CHATHAM HYDRO

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended December 31 1986	1985
WORKING CAPITAL DERIVED FROM		
OPERATIONS		
Income before extraordinary item	$ 594,336	$ 851,263
Items not involving working capital		
Depreciation	574,961	480,030
Amortization of contributed capital	(8,835)	(3,283)
Loss (gain) on sale of fixed assets	(2,499)	12,903
	1,157,963	1,340,913
Contributed capital	138,800	27,656
Debenture issue	1,700,000	-
Proceeds on sale of fixed assets	597,518	14,644
	3,594,281	1,383,213
WORKING CAPITAL APPLIED TO		
Purchase of fixed assets	4,319,472	1,326,287
Increase in current portion of unfunded past service pension costs	760	1,765
Increase in current portion of debenture	171,600	-
Discount on issue of debenture	20,033	
	4,511,865	1,328,052
INCREASE (DECREASE) IN WORKING CAPITAL	(917,584)	55,161
Working capital at beginning of year	2,885,372	2,830,211
WORKING CAPITAL AT END OF YEAR	$1,967,788	$2,885,372

CHATHAM HYDRO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

GENERAL

Chatham Hydro's activities include the supply and distribution of hydro electric power to the City of Chatham and surrounding area and maintenance of all electrical distribution systems in the City of Chatham.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Line stores inventory is valued at average cost. Meters and transformers are valued at cost.

Fixed assets

Fixed assets are stated at cost. Sentinel lights are depreciated at the rate of 10% on the declining balance method. Depreciation on other fixed assets is provided on the straight line basis at rates suggested by the Ontario Hydro.

Unfunded Past Service Pension Costs

Unfunded past service pension costs are being amortized over the remaining seven years based on the payments required to fund the past service pension costs.

Contributed Capital after January 1, 1980

Contributed capital is being amortized to revenue on the straight line basis at the same rate as the related fixed assets.

CHATHAM HYDRO

NOTES TO FINANCIAL STATEMENTS (Continued)

1. FIXED ASSETS

	1986		1985	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Plant and distribution system				
Land	$ 291,099		$ 361,733	
Buildings	3,649,542	$ 181,591	898,509	$ 363,175
Substation system	2,059,753	949,738	1,933,832	869,273
Distribution system				
Overhead	1,858,713	828,229	1,723,598	747,851
Underground	4,935,046	969,969	4,438,573	830,466
Transformers	2,864,267	871,251	2,628,555	768,267
Meters	1,049,442	320,345	967,576	287,142
Office equipment	234,417	108,277	122,558	102,999
Computer equipment	32,199	14,656	31,042	8,312
Rolling stock	508,596	359,542	485,548	329,481
Tools	298,266	168,936	209,333	163,152
Sentinel lights	43,737	43,737	45,057	45,057
Construction in progress	-	-	265,932	-
	$17,825,077	$4,816,271	$14,111,846	$4,515,175

	Depreciation	
	1986	1985
Plant and distribution system		
Buildings	$ 69,458	$ 20,547
Substation system	80,466	75,502
Distribution system		
Overhead	80,378	74,974
Underground	139,503	119,644
Transformers	102,984	93,555
Meters	33,203	29,928
Office equipment	7,232	7,661
Computer equipment	6,343	5,774
Rolling stock	45,192	42,825
Tools	10,202	9,620
	$ 574,961	$ 480,030

CHATHAM HYDRO

NOTES TO FINANCIAL STATEMENTS (Continued)

2. ACCOUNTS RECEIVABLE

	1986	1985
Electrical energy	$1,215,494	$ 1,045,373
Street lighting	29,207	23,017
Sundry	53,380	27,879
	1,298,081	1,096,269
Allowance for doubtful accounts	16,146	16,684
	$1,281,935	$ 1,079,585

3. INVENTORIES

	1986	1985
Line stores	$ 420,798	$ 367,776
Meters	20,905	16,032
Transformers	459,536	341,354
	$ 901,239	$ 725,162

4. DEBENTURE OUTSTANDING

	1986	1985
9.5% Debenture, due September 18, 1996, interest payable semi-annually and principal payable annually in the average amount of $169,900	$1,700,000	$ -

5. UNFUNDED PAST SERVICE PENSION COSTS

Chatham Hydro has entered into supplementary pension agreements under OMERS for past services. This amount which is recorded in the accounts is being retired out of operating revenue over a period of seven years at $16,281 per year including interest.

6. CHATHAM HYDRO

The Public Utilities Commission of the Corporation of the City of Chatham (Chatham Hydro) operates under the abbreviated name of Chatham Hydro.

Thorne Ernst & Whinney
Chartered Accountants

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AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Chatham Hydro
Chatham, Ontario

The audited financial statements of Chatham Hydro and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position, results of operations, or changes in financial position of Chatham Hydro. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Thorne Ernst & Whinney

March 11, 1987

Licence #1086

CHATHAM HYDRO

SCHEDULE OF OPERATION AND MAINTENANCE EXPENSE

	Year Ended December 31 1986	1985
Substation maintenance	$ 71,771	$ 99,069
Distribution system		
Overhead	616,440	529,415
Underground	132,893	106,507
Transformer maintenance	74,901	46,883
Radio maintenance	4,566	2,152
Meter maintenance	117,869	107,348
Consumer premises	42,464	57,918
Customer repairs	15,245	32,324
Sentinel light maintenance	1,489	180
	$1,077,638	$981,796

SCHEDULE OF GENERAL ADMINISTRATION EXPENSE

	Year Ended December 31 1986	1985
General office	$ 258,521	$245,127
General office maintenance	110,801	51,426
Engineering	4,843	4,062
Community relations	683	5,288
	$ 374,848	$305,903

CHATHAM HYDRO

SCHEDULE OF CHANGES IN CASH POSITION

	Year Ended December 31 1986	1985
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Income before extraordinary item	$ 594,336	$ 851,263
Items not involving cash		
Depreciation	574,961	480,030
Amortization of contributed capital	(8,835)	(3,283)
Gain (loss) on sale of fixed assets	(2,499)	12,903
	1,157,963	1,340,913
Change in non-cash operating working capital	(96,494)	40,919
	1,061,469	1,381,832
INVESTMENT ACTIVITIES		
Purchase of fixed assets	(4,319,472)	(1,326,287)
Proceeds on sale of fixed assets	597,518	14,644
	(3,721,954)	(1,311,643)
FINANCING ACTIVITIES		
Debenture issue	1,700,000	-
Discount on debenture issue	(20,033)	-
Capital contributions received	138,800	27,656
	1,818,767	27,656
INCREASE (DECREASE) IN CASH	(841,718)	97,845
Cash at beginning of year	1,221,302	1,123,457
CASH AT END OF YEAR	$ 379,584	$1,221,302

Cash is defined as cash and treasury bills.

1986 FINANCIAL INFORMATION RETURN

MUNICIPALITY: CITY of CHATHAM

in the Region, County or District of: KENT

DECLARATION OF THE MUNICIPAL TREASURER

Pursuant to the determination of grants under the Ontario Unconditional Grants Act, and to the information required by the Province under the Municipal Affairs Act, the following schedules are attached:

		Attached
1	Analysis of Revenue Fund Revenues	X
2LT	Analysis of Taxation	X
2UT	Analysis of Upper Tier Requisitions and Direct Charges	—
2MA	Analysis of Taxation in Merged Areas	—
3	Analysis of Current Revenue for Specific Functions	X
4	Analysis of Revenue Fund Expenditures	X
5	Analysis of Capital Operations	X
6	Analysis of Capital Grants and Own Expenditures	X
7	Analysis of Net Long Term Liabilities By Function	X
8	Analysis of Long Term Liabilities and Commitments	X
9LT	Continuity of Upper Tier and School Board Levies	X
10	Continuity of Reserves and Reserve Funds	X
11	Analysis of Consolidated Year End Balances	X
12	Statistical Data	X
13	Grant Information	X
14	Grant Information	—

The schedules have been drawn up in accordance with the instructions provided by the Ministry of Municipal Affairs. They represent the consolidated financial activities of the municipality, all local boards, including joint boards where applicable and any other local corporate entities set up by the municipality to provide services to ratepayers. The consolidated local boards and entities are:

. Board of Water Commissioners of the City of Chatham
. Chatham Public Library
. Chatham-Kent Museum
. Chatham Horticultural Society
. Chatham Kiltie Concert Band

Trust funds administered by the municipality and its local boards, harbour commissions, humane societies, municipal non-profit housing corporations, provincial-municipal housing authorities, sinking funds, retirement or pension plan funds, school boards, conservation authorities, children's aid societies, district health councils, municipal hospitals and gas, telephone and hydro utilities are not consolidated.

The schedules have been prepared by the City of Chatham
(Auditor's firm or name of Municipality)

Questions regarding the information contained in them should be addressed to P. R. Brophy,
Treasurer, City of Chatham at 519-352-4500
(Area code and telephone)

Date April 30 1987

Municipal Treasurer

Municipality

CITY OF CHATHAM

To the Ministry of Municipal Affairs

Our examination of the financial statements of the Corporation of the City of Chatham for the year ended December 31, 1986 was made for the purpose of forming an opinion on the financial statements referred to in our auditors' report dated April 10, 1987 to the Members of Council, Inhabitants and Ratepayers.

At your request, we have performed the following procedures in connection with Schedules 1 to 11 of the Financial Information Return of the Corporation of the City of Chatham for the year ended December 31, 1986:

a) we have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement;

b) we have added and cross-added all schedules; and

c) we have cross-referenced the information on the schedules where applicable.

The above-noted schedules have not been subjected to the auditing procedures applied in the examination of the financial statements and accordingly we do not express an opinion on the fair presentation of this information.

Thorne Ernst & Whinney

Chatham, Ontario
April 12, 1987

CHARTERED ACCOUNTANTS
Licence Number 1086

Municipality
CITY OF CHATHAM
ANALYSIS OF REVENUE FUND REVENUES
for the year ended December 31, 1986

		total revenue	upper tier purposes	school board purposes	own purposes
		1	2	3	4
		$	$	$	$
Taxation					
Taxation from schedule 2LT (or requisitions from schedule 2UT)	1	25,708,668	0	10,477,478	15,231,190
Direct water billings on ratepayers - own municipality	2	2,576,830	0		2,576,830
- other municipalities	3	116,373	0		116,373
Sewer surcharge on direct water billings - own municipality	4	511,566	0		511,566
- other municipalities	5	0	0		0
Subtotal	6	28,913,437	0	10,477,478	18,435,959
Payments in lieu of taxes					
Canada	7	126,261	0	0	126,261
Canada enterprises	8	0	0	0	0
Ontario					
The Municipal Tax Assistance Act	9	71,157	0		71,157
The Municipal Act, section 160	10	54,000	0		54,000
Other	11	0	0	0	0
Ontario enterprises					
Ontario Housing Corporation	12	129,716	0	53,772	75,944
Ontario Hydro	13	63,469	0	0	63,469
Liquor Control Board of Ontario	14	10,267	0	0	10,267
Other	15	0	0	0	0
Municipal enterprises	16	182,796			182,796
Other municipalities and enterprises	17	0			0
Subtotal	18	637,666	0	53,772	583,894
Ontario unconditional grants					
Per household general	19	470,190			470,190
Per household police	20	783,650			783,650
Per household density	21	0	0		0
Transitional and special assistance	22	0	0		0
Resource equalization	23	1,188,980			1,188,980
General support	24	1,206,275			1,206,275
Northern special support	25	0			0
Apportionment guarantee	26	0	0		0
Revenue guarantee	27	973,971	0		973,971
Subtotal	28	4,623,066	0		4,623,066
Revenues for specific functions					
Ontario specific grants	29	4,309,942			4,309,942
Canada specific grants	30	245,298			245,298
Other municipalities - grants and fees	31	4,020			4,020
Fees and service charges and donations	32	3,391 990			3,391,990
Subtotal	33	7,951,250			7,951,250
Other revenue					
Trailer revenue and licences	34	0	0	0	0
Licences and permits	35	358,424	0	0	358,424
Fines	37	0			0
Penalties and interest on taxes	38	211,642			211,642
Investment income - from own funds	39	24,161			24,161
- other	40	375,005			375,005
Sale of publications, equipment, etc.	42	853			853
Contributions from capital fund	43	107,606			107,606
Contributions from reserves and reserve funds	44	844,865			844,865
Contributions from non consolidated entities	45	0			0
. Miscellaneous	46	35,846			35,846
.	47	0			0
.	48	0			0
Sale of land	49	0			0
Subtotal	50	1,958,402	0	0	1,958,402
Total revenue	51	44,083,821	0	10,531,250	33,552,571

Municipality
CITY OF CHATHAM
ANALYSIS OF TAXATION
For the year ended December 31, 1984

(4)
21

	for computer use only	LOCAL TAXABLE ASSESSMENT: residential and farm	LOCAL TAXABLE ASSESSMENT: commercial and industrial	LOCAL TAXABLE ASSESSMENT: business	MILL RATES: residential and farm	MILL RATES: commercial, industrial and business	TAXES LEVIED: residential and farm	TAXES LEVIED: commercial and industrial	TAXES LEVIED: business	SUPPLEMENTARY TAXES: residential and farm	SUPPLEMENTARY TAXES: commercial and industrial	TOTAL TAXES: total business columns 6 to 11
		1	2	3	4	5	6	7	8	9	10	11	12
I. One purposes		0	0	0			0	0	0	0	0	0	0
(a) Levied by mill rate													
General	0 1 0 1 0	54,225,521	29,837,454	12,827,845	136.319	160.369	7,391,698	4,656,708	2,057,860	53,915	126,596	83,782	14,369,759
police villages at reduced rates	0 1 0 2	0	0	0	0.000	0.000	0	0	0	0	0	0	0
farms at reduced rates	0 1 0 3	0	//////////	//////////	0.000	//////////	0	0	0	0	0	0	0
	0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
Special area rates and police villages													
	0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
					Subtotal levied by mill rate	1	7,391,698	4,656,708	2,057,860	53,915	126,596	83,782	14,369,759
(b) Other charges on tax bills	Share of telephone and telegraph taxation				0 1 2 1 0	2		433,155					433,155
	Local improvements				0 1 2 2 0		115,488	0					115,488
	Sewer and water service charges				0 1 2 3 0		0	0					0
	Sewer and water connection charges				0 1 2 4 0		185,652	0					185,652
	Fire service charges				0 1 2 5 0		0	0					0
	Mininum tax (differential only)				0 1 2 6 0		0	0					0
	Municipal drainage charges				0 1 2 7 0		63,263	0					63,263
	Garbage collection charges				0 1 2 8 0		0	0					0
	Business improvement area				0 1 2 9 0		//////////	//////////	63,943				63,943
	.				0 1 3 0 0		0	0	0				0
	Subtotal special charges on tax bills					3	364,333	433,155	63,943				861,431
	Total one purposes taxation				0 1 3 2 0	4	7,756,031	5,089,863	2,121,803	53,915	126,596	83,782	15,231,190
II. Upper tier purposes													
(a) Levied by mill rate													
General	0 2 0 1 0	0	0	0	0.000	0.000	0	0	0	0	0	0	0
Special purposes													
	0 2	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 2	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 2	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 2	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	0 2	0	0	0	0.000	0.000	0	0	0	0	0	0	0
					Subtotal levied by mill rate	5	0	0	0	0	0	0	0
(b) Other charges on tax bills	Share of telephone and telegraph taxation				0 2 2 1 0	6		0					0
	Local improvements				0 2 2 2 0		0	0					0
	Sewer and water service charges				0 2 2 3 0		0	0					0
	Sewer and water connection charges				0 2 2 4 0		0	0					0
	Fire service charges				0 2 2 5 0		0	0					0
	.				0 2 3 0 0		0	0					0
	Subtotal special charges on tax bills					7	0	0					0
	Total upper tier taxation				0 2 3 2 0	8	0	0	0	0	0	0	0
III. School board purposes													
Elementary public													
Kent County Bd of Educ	0 3 0 1	39,088,460	27,163,351	12,173,815	56.122	66.926	2,211,682	1,793,488	803,735	17,838	46,484	32,791	4,906,018
	0 3 0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	Share of telephone and telegraph taxation				0 3 2 1 0	9	0	169,463	0	0	0	0	169,463
					Subtotal elementary public	10	2,211,682	1,962,951	803,735	17,838	46,484	32,791	5,075,481
Elementary separate													
Kent County Sep Sch Bd	0 4 0 1	14,217,961	1,874,185	654,839	56.471	66.437	836,734	124,560	43,452	4,385	5,671	1,713	1,016,465
	0 4 0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
					Subtotal elementary separate	11	836,734	124,560	43,452	4,385	5,671	1,713	1,016,465
Secondary													
Kent County Bd of Educ	0 5 0 1	54,225,521	29,837,454	12,827,845	48.335	47.453	2,187,186	1,377,914	608,687	15,954	37,463	24,794	4,251,993
	0 5 0 1	0	0	0	0.000	0.000	0	0	0	0	0	0	0
	Share of telephone and telegraph taxation				0 5 2 1 0	12	0	133,539	0	0	0	0	133,539
					Subtotal secondary	13	2,187,186	1,511,453	608,687	15,954	37,463	24,794	4,385,532
	Total all school board taxation				0 6 3 7 0	14	5,235,602	3,598,964	1,455,869	38,177	89,618	59,298	10,477,478

Municipality
CITY OF CHATHAM
ANALYSIS OF CURRENT REVENUE FOR
SPECIFIC FUNCTIONS
for the year ended December 31, 1986

		Ontario specific grants	Canada grants	other municipalities-grants, fees, and service charges	fees, service charges and donations
		1	2	3	4
		$	$	$	$
General government	1	48,579	13,175	0	50,952
Protection to persons and property					
Fire	2	12,338	0	0	4,541
Police	3	0	0	0	24,776
Conservation authority	4	0	0	0	3,300
Protective inspection and control	5	0	0	0	1,250
.	6	0	0	0	0
Subtotal	7	12,338	0	0	33,867
Transportation services					
Roadways	8	995,371	128,099	0	122,594
Winter control	9	88,992	0	0	0
Transit	10	317,231	0	0	390,037
Parking	11	0	0	0	198,741
Street lighting	12	0	0	0	0
Air transportation	13	0	0	0	43,332
.	14	0	0	0	0
Subtotal	15	1,401,594	128,099	0	754,724
Environmental services					
Sanitary sewer system	16	0	0	0	0
Storm sewer system	17	105,103	0	0	27,261
Waterworks system	18	0	0	4,020	298,233
Garbage collection	19	0	0	0	0
Garbage disposal	20	0	0	0	3,500
Pollution control	21	7,285	0	0	0
.	22	0	0	0	0
Subtotal	23	112,388	0	4,020	329,016
Health services					
Public health services	24	0	0	0	0
Public health inspections and control	25	0	0	0	0
Hospitals	26	0	0	0	0
Ambulance services	27	0	0	0	0
Cemeteries	28	0	3,840	0	120,709
.	29	0	0	0	0
Subtotal	30	0	3,840	0	120,709
Social and family services					
General assistance	31	1,404,874	0	0	62,361
Assistance to aged persons	32	688,664	0	0	682,145
Assistance to children	33	0	0	0	0
Day nurseries	34	255,700	0	0	167,422
.	35	0	0	0	0
Subtotal	36	2,349,238	0	0	911,928
Recreation and cultural services					
Parks and recreation	37	93,673	22,673	0	616,620
Libraries	38	180,850	0	0	54,369
Other cultural	39	24,920	42,211	0	146,871
Subtotal	40	299,443	64,884	0	817,860
Planning and development					
Planning and zoning	41	1,446	0	0	39,200
Commercial and industrial	42	10,000	0	0	328,193
Residential development	43	0	35,300	0	0
Agriculture and reforestation	44	74,916	0	0	5,541
Tile drainage/shoreline assistance	45	0	0	0	0
.	46	0	0	0	0
Subtotal	47	86,362	35,300	0	372,934
Electricity	48	0	0	0	0
Gas	49	0	0	0	0
Telephone	50	0	0	0	0
Total	51	4,309,942	245,298	4,020	3,391,990

Municipality
CITY OF CHATHAM
ANALYSIS OF REVENUE FUND EXPENDITURES
for the year ended December 31, 1986

			1	2	3	4	5	6	7
			salaries, wages and employee benefits	net long term debt charges	materials, services, rents and financial expenses	transfers to own funds	other transfers	inter-functional transfers	total expenditure
General government		1	1,286,666	419,095	901,193	44,575	0	(35,730)	2,616,799
Protection to persons and property									
Fire		2	2,358,285	0	113,517	109,815	0	87,680	2,669,297
Police		3	3,592,616	0	227,380	144,862	0	0	3,964,856
Conservation authority		4	0	0	0	0	132,006	0	132,006
Protective inspection and control		5	265,752	0	96,221	5,292	4,621	0	371,886
-		6	0	0	0	0	0	0	0
	Subtotal	7	6,216,451	0	437,318	259,969	136,627	87,680	7,138,045
Transportation services									
Roadways		8	1,754,572	1,029,415	1,427,673	258,000	0	0	4,469,660
Motor control		9	50,078	0	76,762	0	0	0	126,840
Transit		10	64,316	0	1,249,116	22,965	0	0	1,335,397
Parking		11	55,163	0	64,572	85,138	0	0	204,873
Street lighting		12	0	0	354,641	0	0	0	354,641
Air transportation		13	500	0	38,179	26,218	0	0	64,896
-		14	0	0	0	0	0	0	0
	Subtotal	15	1,929,837	1,029,415	3,209,934	392,321	0	0	6,556,307
Environmental services									
Sanitary sewer system		16	69,746	1,108,980	25,138	0	0	0	1,203,794
Storm sewer system		17	71,554	571,726	68,191	0	0	0	711,471
Waterworks system		18	1,199,813	280,690	1,317,262	709,968	0	(69,750)	3,512,983
Garbage collection		19	0	0	294,777	0	0	0	294,777
Garbage disposal		20	0	0	513,573	0	0	0	513,573
Pollution control		21	395,044	0	503,617	38,704	0	17,300	955,665
-		22	0	0	0	0	0	0	0
	Subtotal	23	1,731,357	1,961,316	2,722,558	828,672	0	(52,450)	7,191,653
Health services									
Public health services		24	0	0	2,172	0	159,376	0	161,548
Public health inspections and control		25	0	0	0	0	0	0	0
Hospitals		26	0	0	0	0	0	0	0
Ambulance services		27	0	0	0	0	0	0	0
Cemeteries		28	133,403	0	18,637	0	0	0	152,040
-		29	0	0	0	0	0	0	0
	Subtotal	30	133,403	0	20,809	0	159,376	0	313,588
Social and family services									
General assistance		31	385,827	0	45,185	2,266	1,636,533	0	1,909,811
Assistance to aged persons		32	1,257,426	0	326,470	29,615	7,350	0	1,620,861
Assistance to children		33	0	0	0	0	253,630	0	253,630
Day nurseries		34	371,154	0	109,037	0	0	0	480,191
-		35	0	0	0	0	0	0	0
	Subtotal	36	1,913,807	0	480,692	31,881	1,897,513	0	4,325,693
Recreation and cultural services									
Parks and recreation		37	1,301,574	35,599	547,903	113,439	40,307	0	1,838,822
Libraries		38	794,807	0	258,389	45,839	0	0	1,048,235
Other cultural		39	325,867	0	237,109	224,267	38,195	0	865,438
	Subtotal	40	2,221,048	35,599	1,043,401	383,545	68,302	0	3,752,495
Planning and development									
Planning and zoning		41	887,997	0	52,195	21,418	0	0	261,110
Commercial and industrial		42	97,834	953,086	120,596	14,888	127,647	0	1,313,051
Residential development		43	0	0	0	0	0	0	0
Agriculture and reforestation		44	111,613	0	21,842	0	0	0	133,455
Tile drainage/shoreline assistance		45	0	0	0	0	0	0	0
-		46	0	0	0	0	0	0	0
	Subtotal	47	396,144	953,086	194,633	36,306	127,647	0	1,707,616
Electricity		48	0	0	0	0	0	0	0
Gas		49	0	0	0	0	0	0	0
Telephone		50	0	0	0	0	0	0	0
	Total	51	15,894,113	4,998,511	9,010,530	1,977,869	2,389,665	0	33,599,896

Total of column 2 includes:

Payment to Ontario in respect of Down town Revitalization Program loans	81	282,984
Accrued interest (enter an amount only if the change to the accrual basis was made in this reporting year)	82	0
Interest portion of transit debt charges included on line 10	83	0

Total of column 3 includes:

Ministry of the Environment

Provincial projects service charges		
- water	52	0
- sewer	53	0
Provincial projects frontage and connection charges - water	57	0
-sewer	58	0
Joint projects operating charges		
- water	54	0
- sewer	55	0
O.P.P. policing contracts	56	0
Short term interest costs	60	22,294

Total of column 5 includes:

Grants to charitable and non-profit organizations	62	471,359
Grants to universities & colleges	63	0
Contributions to UNCONSOLIDATED		
joint local boards		
- Health unit	64	159,376
- District welfare board	65	0
- Home for the aged	66	7,350
- Recreation board(s)	67	0
- Fire area board	68	0
- Suburban roads commission	69	0
-	70	0
-	71	0

Total of column 7 includes:

Members of council	72	83,077

Line 51 of column 7 includes:

Payments in respect of long term commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board. Exclude debt charges reported in column 2.	73	799,717

Municipality
CITY OF CHATHAM
ANALYSIS OF CAPITAL OPERATIONS
for the year ended December 31, 1986

5
(9)

		1
		$
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	1	288,870
Sources of financing		
Contributions from own funds		
Revenue fund	2	1,345,424
Reserves and reserve funds	3	562,066
Subtotal	4	1,907,490
Long term liabilities incurred		
Central Mortgage and Housing Corporation	5	0
Ontario Municipal Improvement Corporation	7	0
Commercial Area Improvement Program	9	0
Other Ontario housing programs	10	0
Ministry of the Environment	11	0
Tile drainage and shoreline property assistance programs	12	0
The Public		
Serial debentures	13	2,085,883
Sinking fund debentures	14	0
.	15	0
.	16	0
.	17	0
Subtotal*	18	2,085,883
Grants and loan forgiveness		
Ontario	20	812,174
Canada	21	4,000
Other municipalities	22	0
Subtotal	23	816,174
Other financing		
Prepaid special charges	24	106,465
Proceeds from sale of fixed assets	25	13,703
Investment income		
From own funds	26	0
Other	27	0
Donations	28	0
. Recovered expenses	30	55,271
.	31	0
Subtotal	32	175,439
Total sources of financing	33	4,984,986
Applications		
Own expenditures		
Short term interest costs	34	66,199
Other	35	4,614,127
Subtotal	36	4,680,326
Transfers of proceeds from long term liabilities to:		
Other municipalities	37	0
Unconsolidated local boards	38	1,700,000
Individuals	39	0
Subtotal	40	1,700,000
Transfers to reserves, reserve funds and the revenue fund	41	125,309
Total applications	42	6,505,635
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	43	1,809,519
Amount reported on line 43 analyzed as follows:		
Unapplied capital receipts	44	0
To be recovered from:		
- taxation or user charges within term of council	45	71,498
- proceeds from long term liabilities	46	1,738,021
- transfers from reserves and reserve funds	47	0
- other (specify)	48	0
Total unfinanced capital outlay (unexpended capital financing)	49	1,809,519
* amount in line 18 raised on behalf of other municipalities	19	1,700,000

Municipality
CITY OF CHATHAM
ANALYSIS OF CAPITAL GRANTS
AND OWN EXPENDITURES
for the year ended December 31, 1986

6
(10)

		CAPITAL GRANTS			TOTAL OWN EXPENDITURES
		Ontario grants	Canada grants	other municipalities	
		1	2	3	4
		$	$	$	$
General government	1	0	0	0	89,570
Protection to persons and property					
Fire	2	0	0	0	31,915
Police	3	0	0	0	250,862
Conservation authority	4	0	0	0	0
Protective inspection and control	5	0	0	0	0
. Other	6	0	0	0	19,659
Subtotal	7	0	0	0	302,436
Transportation services					
Roadways	8	485,864	4,000	0	1,532,797
Winter control	9	0	0	0	0
Transit	10	20,465	0	0	40,931
Parking	11	0	0	0	34,499
Street lighting	12	0	0	0	0
Air transportation	13	36,873	0	0	46,091
.	14	0	0	0	0
Subtotal	15	543,202	4,000	0	1,654,318
Environmental services					
Sanitary sewer system	16	83,693	0	0	951,051
Storm sewer system	17	4,474	0	0	(4,786)
Waterworks system	18	0	0	0	894,608
Garbage collection	19	0	0	0	0
Garbage disposal	20	0	0	0	0
Pollution control	21	0	0	0	39,192
.	22	0	0	0	0
Subtotal	23	88,167	0	0	1,880,065
Health services					
Public health services	24	0	0	0	0
Public health inspections and control	25	0	0	0	0
Hospitals	26	0	0	0	0
Ambulance services	27	0	0	0	0
Cemeteries	28	0	0	0	7,650
.	29	0	0	0	0
Subtotal	30	0	0	0	7,650
Social and family services					
General assistance	31	0	0	0	2,266
Assistance to aged persons	32	18,799	0	0	37,223
Assistance to children	33	0	0	0	0
Day nurseries	34	0	0	0	2,088
.	35	0	0	0	0
Subtotal	36	18,799	0	0	41,577
Recreation and cultural services					
Parks and recreation	37	0	0	0	65,506
Libraries	38	0	0	0	52,468
Other cultural	39	49,371	0	0	182,365
Subtotal	40	49,371	0	0	300,339
Planning and development					
Planning and zoning	41	0	0	0	0
Commercial and industrial	42	0	0	0	73,726
Residential development	43	112,635	0	0	330,645
Agriculture and reforestation	44	0	0	0	0
Tile drainage/shoreline assistance	45	//////////	//////////	//////////	//////////
.	46	0	0	0	0
Subtotal	47	112,635	0	0	404,371
Electricity	48	0	0	0	0
Gas	49	0	0	0	0
Telephone	50	0	0	0	0
Total	51	812,174	4,000	0	4,680,326

Municipality
CITY OF CHATHAM
ANALYSIS OF NET LONG TERM
LIABILITIES BY FUNCTION
as at December 31, 1986

7
(11)

		1	1 $
General government		1	2,392,553
Protection to persons and property			
Fire		2	0
Police		3	0
Conservation authority		4	0
Protective inspection and control		5	0
.		6	0
	Subtotal	7	0
Transportation services			
Roadways		8	3,473,900
Winter control		9	0
Transit		10	0
Parking		11	0
Steet lighting		12	0
Air transportation		13	0
.		14	0
	Subtotal	15	3,473,900
Environmental services			
Sanitary sewer system		16	3,381,323
Storm sewer system		17	1,592,114
Waterworks system		18	911,000
Garbage collection		19	0
Garbage disposal		20	0
Pollution control		21	0
.		22	0
	Subtotal	23	6,084,437
Health services			
Public health services		24	0
Public health inspections and control		25	0
Hospitals		26	0
Ambulance services		27	0
Cemeteries		28	0
.		29	0
	Subtotal	30	0
Social and family services			
General assistance		31	0
Assistance to aged persons		32	0
Assistance to children		33	0
Day nurseries		34	0
.		35	0
	Subtotal	36	0
Recreation and cultural services			
Parks and recreation		37	296,249
Libraries		38	0
Other cultural		39	0
	Subtotal	40	296,249
Planning and development			
Planning and Zoning		41	0
Commercial and industrial		42	9,079,132
Residential development		43	0
Agriculture and reforestation		44	0
Tile drainage/shoreline assistance		45	0
.		46	0
	Subtotal	47	9,079,132
Electricity		48	1,700,000
Gas		49	0
Telephone		50	0
	Total	51	23,026,271

ANALYSIS OF LONG TERM LIABILITIES AND COMMITMENTS

for the year ended December 31, 1986

Municipality: City of Chatham — 0137

			1
			$
1. Calculation of debt burden of the municipality			
All debt issued by the municipality, predecessor municipalities and consolidated entities			
: To Ontario and agencies		1	8,378,764
: To Canada and agencies		2	1,294,521
: To other		3	14,857,048
	Subtotal	4	24,432,334
Plus: All debt assumed by the municipality from others		5	
Less: All debt assumed by others			
: Ontario		6	
: Schoolboards		7	
: Other municipalities		8	
	Subtotal	9	0
Less: Ministry of the Environment debt retirement funds			
-sewer		10	11,986,263
-water		11	
Own sinking funds (actual balances)			
- general municipal		12	
- enterprises and other		13	
	Subtotal	14	11,986,263
	Total	15	12,446,071
Sinking fund debentures		16	254,347
Installment (serial) debentures		17	11,962,524
Long term bank loans		18	
Lease purchase agreements		19	68,553
Mortgages		20	30,495
Ministry of the Environment		22	
- Downtown Revitalization Program		23	4,719,132
-		24	
			0
2. Total debt payable in foreign currencies (net of sinking fund holdings)			
U.S. dollars-Canadian dollar equivalent included in line 15 above		25	
-par value of this amount in U.S. dollars		26	
Other -Canadian dollar equivalent included in line 15 above		27	
-par value of this amount in _____		28	
			0
3. Interest earned on sinking funds and debt retirement funds during the year			
Own funds		29	
Ministry of the Environment - sewer		30	191,484
- water		31	
			0
4. Actuarial balance of own sinking funds at year end		32	
			0
5. Long term commitments and contingencies at year end			
Total liability for accumulated sick pay credits		33	254,347
Total liability under OMERS plans			
- initial unfunded (payable over 4 years) (number of employees 3)		34	
- actuarial deficiency (payable over 4 years)		35	1,238,116
Total liability for own pension funds			
- initial unfunded (payable over ___years) (number of employees___)		36	
- actuarial deficiency (payable over ___years)		37	
Outstanding loans guaranteed (payable over ___years)		38	
Commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board			
- hospital support		39	
- university support		40	
- leases and other agreements		41	68,553
Other (specify) . Severance pay liability		42	67,561
. Garbage collection and disposal		43	2,796,151
. Traffic		44	87,000
	Total	45	4,711,668

6. Ministry of the Environment Provincial Projects		accumulated surplus(deficit)	total outstanding capital obligation	debt charges
		1	2	3
		$	$	$
Water projects-for this municipality only	46			
-share of integrated projects)	47			
Sewer projects-for this municipality only	48			
-share of integrated projects)	49			

7. 1986 Debt charges		principal	interest
		1	2
		$	$
Recovered from the consolidated revenue fund			
-general tax rates	20	2,049,025	1,433,205
-special area rates and special charges	21		
-benefitting landowners	22	264,253	172,720
-sewer rates (consolidated entities)	23	102,000	97,210
Recovered from reserve funds	24		
Recovered from unconsolidated entities			
-hydro	25		
-gas and telephone	27		
-	26		
-	28		
-	29		
Total	30	2,415,278	1,702,133

8. Future principal and interest payments on existing net debt

		recoverable from the consolidated revenue fund		recoverable from reserve funds		recoverable from unconsolidated entities	
		principal	interest	principal	interest	principal	interest
		1	2	3	4	5	6
		$	$	$	$	$	$
1987	60	2,284,268	1,263,672			171,600	102,770
1988	61	2,313,101	1,099,771			169,200	104,097
1989	62	2,145,417	1,230,984			169,200	131,191
1990	63	1,425,048	968,447			169,200	115,867
1991	64	1,218,619	765,110			169,200	98,948
1992-1996	65	4,311,105	1,896,112			847,200	348,479
1997 onwards	79	1,046,944	7,303				
Interest to be earned on sinking funds	67	(1,986,263)					
Downtown revitalization program	70	4,719,132					
Total	71	21,536,371	7,830,942	0	0	1,705,000	903,204

*includes interest to be earned on Ministry of the Environment debt retirement funds

9. Future principal payments on unpaid new debt

		1
		$
1987	72	
1988	73	721,000
1989	74	882,000
1990	75	1,442,000
1991	76	1,863,000
Total	77	4,870,000

10. Other notes (attach supporting schedule as required)

Municipality
CITY OF CHATHAM
CONSOLIDATED OF UPPER TIER AND
SCHOOL BOARD LEVIES
for the year ended December 31, 1984

9(1
(33)

UPPER TIER		Balance at beginning of year	Amounts requisitioned	Supplementary taxes	Total expended	Amount levied	Telephone and telegraph taxation	Share of Provincial grants	Share of payments in lieu of taxes	Other	Total raised	Balance at end of year	
		1	2	3	4	5	6	8	9	10	12	11	
Included in general mill rate for upper tier purposes		0	0	0	0	0	0	0	0	0	0	0	
General requisition	1		0	0	0								
Special purpose requisitions													
Water rate	2		0	0	0								
Transit rate	3		0	0	0								
Sewer rate	4		0	0	0								
Library rate	5		0	0	0								
Road rate	6		0	0	0								
.	7		0	0	0								
.	8		0	0	0								
.	9		0	0	0								
.	10		0	0	0								
Sub total levied by mill rate-general	11	0	0	0	0	0	0	0	0	0	0	0	11
Special purpose requisitions													
Water	12		0	0	0								
Transit	13		0	0	0								
Sewer	14		0	0	0								
Library	15		0	0	0								
.	16		0	0	0								
.	17		0	0	0								
Subtotal levied by mill rate-special areas	18	0	0	0	0	0					0	0	18
Special charges	19	0	0	0	0	0					0	0	19
Direct water billings	20	0	0	0	0	0					0	0	20
Sewer surcharge on direct water billings	21	0	0	0	0	0					0	0	21
Total region or county	22	0	0	0	0	0	0	0	0	0	0	0	22

SCHOOL BOARDS		Balance at beginning of year	Amounts requisitioned	Supplementary taxes	Pupils' fees, share of trailer licences	Total expended	Amount levied	Telephone and telegraph taxation	Share of payments in lieu of taxes	Pupils' fees, share of trailer licences	Total raised	Balance at end of year	
		1	2	3	4	5	6	7	8	9	10	11	
		0	0	0	0	0	0	0	0	0	0	0	
Elementary public	23		0	0	0	0					0		
. West County Board of Education	24	4,870	5,004,991	97,133	0	5,102,854	4,996,868	169,463	25,790	0	5,101,771	4,995	
.	25	0	0	0	0	0	0	0	0	0	0	0	
.	26		0	0	0	0					0		
.	27		0	0	0	0					0		
.	28		0	0	0	0					0		
Elementary separate	29												
. West County Separate School Bd	29	11,680	1,008,121	11,789	0	1,019,890	1,016,465		5,503	0	1,021,968	390	
.	30	0	0	0	0	0	0		0	0	0	0	
.	31		0	0	0	0					0		
Secondary	32		0	0	0	0					0		
. West County Board of Education	33	2,978	4,329,994	78,291	0	4,408,265	4,251,993	133,539	22,671	0	4,408,983	2,276	
.	34	0	0	0	0	0	0	0	0	0	0	0	
.	35		0	0	0	0					0		
Total school boards	36	6,168	10,343,956	187,093	0	10,530,109	10,174,476	303,002	53,772	0	10,533,250	7,269	36

Municipality
CITY OF CHATHAM — 105 — 10
CONTINUITY OF RESERVES AND RESERVE FUNDS (15)
for the year ended December 31, 1986

		1
		$
Balance at beginning of year	1	2,014,649
Revenues		
Contributions from revenue fund	2	631,645
Contributions from capital fund	3	17,703
Lot levies and subdivider contributions	60	28,994
Recreational land (the Planning Act)	61	42,613
Investment income - from own funds	5	0
- other	6	30,038
.	9	0
.	10	0
.	11	0
.	12	0
Total revenue	13	750,993
Expenditures		
Transferred to capital fund	14	562,066
Transferred to revenue fund	15	844,865
Charges for long term liabilities - principal and interest	16	0
.	63	0
.	20	0
.	21	0
Total expenditure	22	1,406,931
Balance at end of year for:		
Reserves	23	993,181
Reserve funds	24	345,530
Total	25	1,338,711
analysed as follows:		
Working funds	26	208,199
Contingencies	27	5,000
Ministry of the Environment fund for renewals, etc.		
- sewer	28	0
- water	29	0
Replacement of equipment	30	524,918
Sick Leave	31	0
Insurance	32	0
Workmn's compensation	33	0
Capital expenditure - general administration	34	5,300
- roads	35	10,000
- sanitary and storm sewers	36	0
- parks and recreation	64	6,387
- library	65	2,375
- other cultural	66	83,340
- water	38	1,262
- transit	39	2,500
- housing	40	0
- industrial development	41	0
- other and unspecified	42	85,400
Lot levies and subdivider contributions	44	0
Recreational land (The Planning Act)	46	112,175
Parking revenues	45	252,093
Debenture repayment	47	0
Exchange rate stabilization	48	0
Waterworks current purposes	49	0
Transit current purposes	50	0
Library current purposes	51	4,000
. Planning	52	27,418
. Performance fees	53	13,200
. Tourism	54	14,688
. Anti-drinking and driving	55	456
.	56	0
.	57	0
Total	58	1,338,711

Municipality
CITY OF CHATHAM
ANALYSIS OF CONSOLIDATED YEAR END BALANCES 11
as at December 31, 1986 (16)

		1	2
		$	$
ASSETS			portion of cash
Current assets			not in cht bank
Cash	1	1,132,204	0
Accounts receivable			
Canada	2	33,740	
Ontario	3	1,194,462	
Region or county	4	0	portion of
Other municipalities	5	2,271	taxes
School boards	6	6,528	receivable for
Waterworks	7	194,163	business
Other (including unorganized areas)	8	390,378	taxes
Taxes receivable			
Current year's levies	9	782,754	76,214
Previous year's levies	10	273,760	25,944
Prior years' levies	11	118,334	19,632
Penalties and interest	12	104,553	11,198
Less allowance for uncollectables	13	0	0
Investments (market value $)			
Canada	14	0	
Provincial	15	0	
Municipal	16	0	portion
Other	17	0	of line 20 for
Other current assets	18	418,185	tax sale /tax
Capital outlay to be recovered in future years	19	23,026,271	registration
Other long term assets	20	0	0
	Total 21	27,677,623	
LIABILITIES			portion of
Current liabilities			loans not from
			chartered banks
Temporary loans - current purposes	22	0	0
- capital - Ontario	23	0	
- Canada	24	0	
- Other	25	1,261,558	0
Accounts payable and accrued liabilities			
Canada	26	386,721	
Ontario	27	201,920	
Region or county	28	0	
Other municipalities	29	11,471	
School boards	30	19,959	
Trade accounts payable	31	1,614,985	
Other	32	0	
Other current liabilities	33	790,603	
Net long term liabilities			
Recoverable from the Consolidated Revenue Fund			
- general tax rates	34	19,109,414	
- special area rates and special charges	35	0	
- benefitting landowners	36	1,305,857	
- user rates (consolidated entities)	37	911,000	
Recoverable from Reserve Funds	38	0	
Recoverable from unconsolidated entities	39	1,700,000	
Less: Own holdings	40	0	
Reserves and reserve funds	41	1,358,711	
Accumulated net revenue (deficit)			
General revenue	42	73,832	
Special charges and special areas (specify)			
. Pre-levy	43	364,333	
. Chatham on the Thames - development area	44	3,637	
.	45	0	
.	46	0	
Consolidated local boards (specify)			
Transit operations	47	0	
Water operations	48	364,335	
Libraries	49	4,729	
Cemeteries	50	0	
Recreation, community centres and arenas	51	(3,192)	
.	52	0	
.	53	0	
.	54	0	
.	55	0	
Region or county	56	0	
School boards	57	7,269	
Unexpended capital financing/(unfinanced capital outlay)	58	(1,909,519)	
	Total 59	27,677,623	

STATISTICAL DATA
For the year ended December 31, 1986

1. Number of continuous full time employees as at December 31

		1
Administration	1	97
Non-line Departmental Support Staff	2	
Fire	3	49
Police	4	80
Transit	5	
Public Works	6	46
Health Services	7	
Homes for the Aged	8	34
Other Social Services	9	8
Parks and Recreation	10	13
Libraries	11	
Planning	12	3
Total	13	330

		Continuous full time employees December 31	Other
		1	2
2. Total expenditures during the year on:		$	$
Wages and salaries	14	10,749,313	1,330,121
Employee benefits	15	2,226,270	103,909

		1
3. Reductions of tax roll during the year (lower tier municipalities only)		$
Cash collections: Current year's tax	16	23,741,829
Previous years' tax	17	800,279
Penalties and interest	18	214,327
Subtotal	19	24,756,426
Discounts allowed	20	
Tax adjustments under section 362 and 363 of The Municipal Act		
-accounts added to the roll	22	( )
-accounts written off	23	
Tax adjustments under sections 445, 495 and 496 of The Municipal Act		
-recoverable from upper tier and school boards	24	297,872
-recoverable from general municipal revenues	25	
Transfers to tax sale and tax registration accounts	26	
The Municipal Elderly Residents' Assistance Act-reductions	27	
-refunds	28	
Other (specify)	29	
Total reductions	29	25,054,298
Amounts added to the tax rate for collection purposes only	30	
Business taxes written off under subsection 497(1) of the Municipal Act	31	

		1
4. Tax due dates for 1986 (lower tier municipalities only)		
Interim billings: Number of installments	31	1
Due date of first installment (MM/DD/YY)	32	February 1
Due date of last installment (MM/DD/YY)	33	
Final billings: Number of installments	34	2
Due date of first installment (MM/DD/YY)	35	June 1
Due date of last installment (MM/DD/YY)	36	October 1
Supplementary taxes levied with 1987 due date	37	

5. Projected capital expenditures and long term financing requirements as at December 31

		gross expenditure	long term financing requirements approved by the O.M.B.	long term financing requirements submitted but not yet approved by the O.M.B.	forecast not yet submitted to the O.M.B.
		1	2	3	4
		$	$	$	$
Estimated to take place					
In 1987	38	3,568,000			1,421,000
In 1988	39	10,959,000			3,852,000
In 1989	40	11,829,000			3,743,000
In 1990	41	9,779,000			3,075,000
In 1991	42	4,742,000			3,493,000
Total	43	39,887,000	0	0	15,584,000

		Balance in fund	Loans o/s
		1	2
		$	$
6. Ontario Home Renewal Trust fund at year end	82	141,305	36,021

7. Analysis of direct water and sewer billings as at December 31

Municipality: City of Chatham — 12 / 1171

		water: number of residential units	water: 1986 billings residential units	water: 1986 billings all other properties	for computer use only
		1	2	3	4
In this municipality	39	12,581	1,521,879	1,022,791	
In other municipalities (specify municipality)					
. Chatham Township	40	261	41,368	5,337	
. Raleigh Township	41	115	30,829	10,977	
. Harwich Township	42	81	21,982	2,836	
.	43				
.	44				

		sewer: number of residential units	sewer: 1986 billings residential units	sewer: 1986 billings all other properties
		1	2	3
In this municipality	44	12,581	325,576	185,990
In other municipalities (specify municipality)				
.	45			
.	46			
.	47			
.	48			
.	49			

		water	sewer
		1	2
Number of residential units in this municipality receiving municipal water and sewer services but which are not on direct billing	66		

8. Selected investments of own sinking funds as at December 31

		own municipality	other municipalities, school boards	Province	Federal
		1	2	3	4
		$	$	$	$
Own sinking funds	83				

9. Borrowing from own reserve funds

		1
		$
Loans or advances due to reserve funds as at December 31	84	

10. Joint boards consolidated by this municipality

		total board expenditure	contribution from this municipality	this municipality's share of total municipal contributions	for computer use only
		1	2	3	4
		$	$	$	
Name of joint boards					
.	53				
.	54				
.	55				
.	56				
.	57				

11. Applications to the Ontario Municipal Board

		Land drainage, shoreline assistance, downtown revitalization, electricity, gas, telephone	other	total
		1	2	3
		$	$	$
Approved but not financed as at Dec. 31, 1985	67	2,627,900	1,404,673	4,032,395
Approved in 1986	68	0	3,219,190	3,219,190
Financed in 1986	69	1,700,000	352,000	2,052,000
No long term financing necessary	70	927,900	334,982	1,662,882
Balance approved but not financed as at Dec. 31, 1986	71	0	2,736,911	2,736,911
Applications submitted but not approved as at December 31, 1986	72		297,124	297,124

12. Forecast of total revenue fund expenditures

		1987	1988	1989	1990	1991
		1	2	3	4	5
		$	$	$	$	$
	73	33,124,000	34,806,000	38,724,000	40,660,000	42,693,000

AUDITOR'S REPORT

Municipality

CITY OF CHATHAM

To the Ministry of Municipal Affairs

We have examined the Grant Information Schedule 13 of the Financial Information Return of the Corporation of the City of Chatham for the year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this schedule presents fairly the grant information shown therein in accordance with instructions issued by the Ministry of Municipal Affairs for the year 1986.

Thorne Ernst & Whinney

Chatham, Ontario
April 10, 1987

CHARTERED ACCOUNTANTS
Licence Number 1086

ANALYSIS OF REVENUE FUND REVENUES 1

Note: Upper tiers use colum 4 only

		upper tier purposes 2 $	own purposes 4 $
Taxation			
Direct water billings on ratepayers - own municipality	2	0	2,576,830
Sewer surcharge on direct water billings - own municipality	4	0	511,566
Payments in lieu of taxes			
Subtotal	18	0	583,894

ANALYSIS OF TAXATION 2LT

LOCAL TAXABLE ASSESSMENT

I. Own purposes (a) Levied by mill rate		residential and farm 1 $	commercial and industrial 2 $	business 3 $
General	30	54,225,521	29,037,456	12,827,045
police villages at reduced rates	31	0	0	0
farms at reduced rates	32	0	////////////////	////////////////

TAXES LEVIED

		commercial and industrial 7 $	business 8 $	total 12 $
Subtotal levied by mill rate	1	4,656,708	2,057,060	////////////////
Share of telephone and telegraph taxation	2	////////////////	////////////////	433,155
Total own purposes taxation	4	////////////////	////////////////	15,231,190
II. Upper tier purposes				
Subtotal levied by mill rate	5	0	0	////////////////
Share of telephone and telegraph taxation	6	////////////////	////////////////	0
Total upper tier taxation	8	////////////////	////////////////	0

ANALYSIS OF CAPITAL OPERATIONS 5

		1 $
Other financing		
Prepaid special charges	24	106,465